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Witnesses Protest Treasury Move To Curb Qualified Pension Plans

The Treasury proposal that would limit the tax deductibility of contributions to the qualified pension plans of many closely held corporations drew sharp criticism from life insurance industry representatives at Senate finance committee hearings. The Treasury's plan was presented by David A. Lindsay, general counsel.

The Treasury has long been trying to impose restrictions on these types of plans and now wants to link them up with its proposed alternative to the Keogh bill, H.R. 10, permitting the self-employed to enjoy the kind of tax advantages already accorded cor-

porate employers in setting up pension plans.

Life industry representatives in-



Verne J. Arends



John Z. Schneider

Legislating Judges Hit By Anderson In Counsel Assn. Talk

Judges who hand down decisions that go beyond the intent of the laws

they are supposed to be based on were strongly criticized by B. M. Anderson, vice-president and counsel of Connecticut General Life, in his presidential address at the meeting of Assn. of Life Insurance Counsel at White Sulphur Springs.

"The professional duties of the life insurance counsel are becoming increasingly complicated," he said. "Merely because changes are gradual they are no less real. Our major concerns now are quite different from the problems of the life insurance counsel of 25 or 50 years ago. Our current problems are largely new and arise because of the growing complexity of our business and because of basic governmental changes."

Can't Rely On Precedents

"One unfortunate development is that we are no longer able to predict with any reasonable degree of certainty the outcome of any lawsuit. This is particularly true when the litigation has economic, political or social overtones. There was a time when judges had due regard for legal precedents and were reluctant to depart from established patterns. Today we live in a period when unfortunately precedents are often lightly regarded and judges are making laws for us which our elected representatives would never impose upon us."

"Our problems at the state level are still with us. However, currently our major problems seem to stem from Washington, and these are increasing

cluded Verne J. Arends, assistant secretary of Northwestern Mutual Life and chairman of the individual policy pension trust subcommittee of the joint legislative committee of American Life Convention and Life Insurance Assn. of America, whose testi-

Indiana's Palmer To Resign June 15; Ashley Will Succeed

Commissioner Alden C. Palmer of Indiana announced late this week that he will resign as of June 15 for reasons of health. James Ashley, now chief deputy commissioner, has been named his successor. Further details will be given in next week's issue.

American Mutual Life reports a 32% gain in new ordinary paid business for April. The company also shows a 46% increase in insurance paid for during the first four months over a comparable period last year.

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by leaps and bounds. We have a big central government and what is done in Washington oftentimes affects life insurance materially, and too often adversely.

"Perhaps the most encouraging development during the last year is that feelings generated by the life insurance federal income tax fight have subsided, and we are now back in the life insurance business. This is not to say that we claim to know what this new tax law means. But at any rate, we are pulling together in the interests of our policyholders. The greatest danger to our business is that we may become divided—in which case our enemies, the enemies of our policyholder, are likely to conquer."

mony was reported briefly in last week's issue; John Z. Schneider, manager for Connecticut General Life at Baltimore, trustee of NALU and chairman of its federal law and legislation committee; Meyer M. Goldstein, president of Pension Planning Co., New York City, and Rowland Long, vice-president and general counsel of Massachusetts Mutual Life.

There were a number of witnesses from other businesses.

The hearings were strictly limited the treatment of qualified pension plans of the type already permitted by

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Variable Annuity Life's Prospectus Gets OK From SEC

First Time A Life Insurer Has Also Been Cleared To Act As Investment Company

WASHINGTON—After a long, discouraging and costly struggle that at times looked completely hopeless, Variable Annuity Life of this city has succeeded in devising a prospectus that satisfied the Securities & Exchange Commission while still maintaining the company's identity as a life insurer. It is the first time such a thing has been accomplished.

The effort to arrive at agreement with the SEC has been going on since the U. S. Supreme Court decided more than a year ago—on March 23, 1959—that variable annuity insurers are subject to SEC jurisdiction.

Prospectus Has 34 Pages

The prospectus is a 34-page affair, including a table of contents, that sets forth every conceivable item of information that a buyer could be interested in—and a great deal more besides. Included are a description of the company, a description of variable annuity contracts and all details of how they work, investment policies and restrictions, name of the investment adviser, management setup, capitalization, principal stockholders, underwriters and distributors of variable annuity contracts, financial statements, variable annuity contracts already in force in the company on the prospectus date, pension trust and group variable annuity contracts offered, conventional insurance available, reinsurance provisions, contract liabilities, reserves and related matters, regulation to which the company is subject as a life insurer, litigation pending in West Virginia, and the names of the experts the company re-

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Newly elected officers of Home Office Life Underwriters Assn. pose for their first group portrait. Seated from left are Arthur Faulkner, Massachusetts Mutual, HOLUA vice-president; William E. Walsh, Equitable Society, president, and Paul K. Frazer, Northwestern Mutual, vice-president. Standing, from left, are John S. Wyper, Connecticut General, secretary; William H. Greenwood Jr., Provident Mutual Life, editor, and Barton S. Pauley, Prudential, treasurer. Elections took place at the association's annual meeting in Boston.

So. Round Table Told PR Man Part Of Top Management

By GEORGE E. WOHLGEMUTH

LOOKOUT MOUNTAIN, TENN.—Public relations is one of the most important concerns of any business organization and in helping top management to solve the problems that arise from it, the public relations man becomes a part of top management, W. H. Trentman, president Occidental Life of North Carolina, told the 31st annual meeting of Southern Round Table of Life Insurance Advertisers Assn. He was the speaker at the farewell banquet concluding the sessions devoted to the theme, "The Future Is You."

Officers Listed

The new officers are Clay R. Alexander, Lamar Life, chairman, succeeding Robert B. Lancaster, Life of Virginia; Wilburn Page, Great American Reserve, vice-chairman, and Hugh K. Rickenbacker, Life of Georgia, secretary. In opening the meeting, Mr. Lancaster recalled that Southern Round Table held its first meeting in Chattanooga in 1929. At present, he said, there are 113 members representing 65 companies located in 12 states. Attendance was 81, a figure close to the all-time high of 90.

The need for good public relations and advertising is more important right now than ever before in view of socialistic trends in government, H. C. E. Johnson, president of Interstate L. & A., declared in extending a warm welcome to the delegates. Interstate, with Provident L. & A. and

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SURVEY IN N. Y. SHOWS:

Agents For More Humor, Warmth, Empathy In Advertising Material

NEW YORK—The seasoned, successful New York City agent wants advertising and sales promotion material to have more humor and warmth to it than is usually the case, and he wants this material to show a better understanding of the recipient's viewpoint, Managing Director Jack R. Manning of the New York City Life Underwriters Assn. told the May meeting of Gotham Group of Life Insurance Advertisers Assn.

Mr. Manning based these and other conclusions on interviews with 20 association members, each representing a different company and each a million dollar producer or close to it. All have had at least a dozen years' experience in the business.

Promotes Relaxed Receptiveness

"This seems to be the time," said Mr. Manning, "when we read almost anything if it is in comic book form. I don't mean to say that we ought to attempt to open doors or break the ice with comic books, but I do think that whenever or wherever possible, hum-



Jack R. Manning

or should be injected into presentations made both in national advertising and in booklets and pamphlets.

"Most of us in this room have served in the armed forces and in the last 14 years we've seen a 'hot' and 'cold' war. You remember how you enjoyed reading comic books during the war? I think for this reason that young men, young families thinking about the future, would like to look at the future in a relaxed manner. The best way to

NEW OFFICERS

OF LAA GOTHAM GROUP

Chairman: William Weir, Prudential, succeeding John Buckley, Guardian. **Vice-chairman:** Henry Farber, Home Life of New York.

Secretary-treasurer: Bruce Roberts, Equitable Society.

get a man to think about his future and his obligations is with properly timed humor. Humor can also be very effective in getting youngsters to think about the importance of life insurance as they grow up.

"It's unfortunate that the public has its doubts about the humanness and warmth of our companies. These inanimate financial giants can be brought to life, and you are the men who can do it. It reminds me of a cartoon in Consumer Reports maga-

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EDP Computer No End In Itself, Accountants, Statisticians Told

By R. R. CUSCADEN

The electronic data processing computer is not an end in itself. It is not a plaything to be obtained because it can do a "nice" job. It is not something to be obtained because the planning staff wants to get into the EDP field. The computer must fit the general purpose of the corporation as a profit generating institution.

These were the opinions of Carl O. Orkild, manager 705 programing and research department of Continental Casualty, as he addressed the annual conference of Insurance Accounting & Statistical Assn. early this week in Chicago.

Some General Sessions

Although, understandably, the greater number of sessions were devoted to technical analysis of new equipment and procedures designed to provide faster and more accurate accounting and statistical methods, a number of sessions were along more general lines. Among these latter were such topics as the impact of federal and state legislation, what the employer expects from the company when acquiring a group program, whether computers can be justified, and communication problems between management and the men in EDP.

The giant machines—which get more so every year—were much in evidence. The association had a "Hall of Machines" set up in which no fewer than nine different companies had their latest electronic brains buzzing and clicking away, much to the obvious enjoyment of the some 1,800 in attendance. Incidentally, the turnout—a record—prompted a good deal

of corridor discussion as to whether it might not be best to split the annual convention into two separate meetings—one for fire and casualty men and the other for the life field.

Lowell S. Rinehart, Nationwide Mutual, succeeded Charles Andrew, Jefferson Standard Life, as president, and the following were named vice-presidents: W. R. Morgan, Equitable Society (program); Jack N. Schreihof, Transport Indemnity (conference), and Thomas Mott, Republic National Life (finance).

Are Expenditures Justified?

Mr. Orkild said that when a company president asks, "What are you doing with this computer thing?" he is asking, in effect, if the expenditures are justified for what the company is getting in return. But the question is primarily one of who is justifying to whom. The individual charged with the responsibility for planning and controlling the computer operation is charged also with an even more important responsibility—of justifying the computer to himself.

It is not reasonable to expect management to sift and weigh the raw evidence and from this pass on the justification of the computer. A mental confusion exists in this field which

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Says Tax-Bred Lure Of Exempt Bonds Is Waning For Insurers

The "exaggerated interest" in exempt bonds that resulted from a change in the company federal income tax "seems to have subsided somewhat as the companies recognize that the tax exemption may be as important a worth as much as they first thought. President Thomas E. Lovejoy Jr. of Manhattan Life told the Texas Mortgage Bankers Association at their annual convention in Galveston.

Mr. Lovejoy said, however, that perhaps in the next few years there will be some amendments made in the law clarifying this situation so far as tax-exempt securities are concerned, as it could very well result in an increase in the attractiveness of tax-exempt securities for life companies.

Mr. Lovejoy expressed concern about the possible spread of the variable annuity saying: "The way I personally look at it is that when you sell variable annuities, you are really going into the mutual fund business. If it spreads too far, I believe it will undoubtedly expedite the road to federal supervision."

LOMA Nominating Committee

Harold P. Stebbins, vice-president and secretary of Bankers Life of Nebraska, has been appointed chairman of the nominating committee of Life Office Management Assn. Also named to the committee were Sam P. Hatch, Life of Georgia; Peter McDonald, Crown Life; Ward F. Stevens, Connecticut Mutual, and A. C. Vanselow, Franklin Life.



Albert C. Adams, John Hancock Philadelphia, left, as chairman of NALU's social security committee, accepts an award of merit presented by the association to the U.S. Chamber of Commerce for "outstanding achievement in the business and public interest." Making the presentation at the chamber's annual meeting in Washington, D.C., is Erwin W. Canham, retiring president of the chamber and editor of the Christian Science Monitor. The award, for a trade association with an annual budget of \$500,000 or more, was given to NALU for its continuing information and education activity in the field of social security, and in a more specific sense for its slide narrative, "Can We Have Sound Social Security," produced in 1958 by NALU's social security committee.

**Does your family
have these
breakfast problems?**



**Does Junior get up with no appetite...
and dawdle over his food?**



**Does Dad rush off to work—
with one cup of coffee
and a bun to sustain him?**



**Does Sister skip
breakfast entirely... to
keep a trim figure?**

The success or the failure of your day often depends on the breakfast that starts it. And yet, far too many of us either skip breakfast entirely—or eat a sparse one on the run—or substitute "coffee breaks" for a healthful, nourishing morning meal.

If you've never thought breakfast important, consider these facts. In the morning, perhaps more than at any other time of the day, you need a well-balanced meal. That's because your energy is lowest after the long stretch between dinner and breakfast. So, your body requires "fuel" to renew your energy—to help you feel better, think and work more efficiently.

On the other hand, a sparse breakfast invites physical and mental fatigue.

In fact, many studies show that when you eat little or no breakfast, tiredness will almost surely overtake you while the morning is still young.

How much breakfast should you eat? Enough to supply at least one-quarter of your total food needs for the day. And to get all of the essential nutrients—carbohydrates, proteins, vitamins and minerals—your breakfast should include fruit in some form; bread made from wholegrain or enriched flour; cereal, eggs, meat or fish; and milk to drink or to use on a cereal.

Such a breakfast (with other things you like including coffee or tea) should be eaten by everyone in the family—mother, father and the children.

Try it for a while. Chances are you'll

notice how much more energy you have, and how much better you'll feel around 11 o'clock than you did before.

If you have "no time" for breakfast, here's a good plan to follow: just set the alarm clock a quarter of an hour earlier than usual. You'll never miss those 15 minutes. And to save time in the morning, plan and prepare things the night before.

Even if you're on a reducing diet, don't make the mistake of skipping breakfast. Without breakfast, you're far more likely to overeat at lunch or dinner. And that can wreck anyone's program of weight control.

All of us, overweight or normal, should take time to eat a substantial, unhurried breakfast.

**Metropolitan Life
INSURANCE COMPANY®**

A MUTUAL COMPANY, 1 MADISON AVE., N.Y. 10, N.Y.

THE LIGHT
THAT
NEVER FAILS

This advertisement is one of a continuing series sponsored by Metropolitan in the interest of our national health and welfare. It is appearing in two colors in publications with a total circulation in excess of 45,000,000 including Saturday Evening Post, Ladies' Home Journal, Good Housekeeping, Redbook, Reader's Digest, National Geographic, U.S. News, Look.

Johnson Lauds Book Telling The Story Of Life Insurance

The Institute of Life Insurance has sent to presidents of member companies a brochure and covering letter praising a lavishly illustrated book on the story of life insurance. The book is "The Great Provider" by John Guadmusen, written last year with some help from the institute.

Holgar J. Johnson, president of the institute, said in his letter that the author "set out to tell the story of life insurance in America, dramatically and almost in picture-book style—admittedly a difficult assignment—and he has done the job well.

"The book, it seems to us, has important public relations value for the life insurance business and we think the companies will be missing an opportunity if they do not realize this potential. Over the last couple of years I have heard much talk around the country about the need for a book about life insurance that would get away from the text book style and have more public appeal. "The Great Provider" is a book at hand to meet this need.

"Within the business the book would



Members of committee which arranged successful North Central Round Table meeting of Life Advertisers Assn. at Milwaukee are, from left: Roland E. Franquemont, Bankers Life of Iowa; Miss Mary Hickey, Northwestern Mutual; Ronald Jones, Kansas City Life; Thomas Brown, Farm Bureau Life; and James Metzger, Security Benefit Life. Miss Hickey was chairman.

be ideally suited for use in orientation courses for home office employees, and in the field it would give new agents a bird's-eye perspective of the business in which they are engaged. But more important this is the possibility for getting the book out to the public."

At the same time an agent of a leading life company called the book

"the most dramatic story of life insurance and its development in this country that I have ever read."

Out-Of-State Reinsurer Ruled Subject To Pa. Department Regulation

HARRISBURG—A Delaware life company which reinsurance credit life contracts written in Pennsylvania is subject to regulation by the Pennsylvania department and to the tax laws of the state, Attorney General Alpern has ruled.

The ruling, requested by Commissioner Smith, held that a Delaware company writing such reinsurance exclusively "is engaged in such activity as to require its being licensed by the insurance department of the Commonwealth of Pennsylvania and subject to the taxing provisions governing insurance companies."

Chicago Underwriters Elect C. Gordon Johnson

C. Gordon Johnson, Allstate Life, was elected president of Chicago Home Office Life Underwriters Assn. at the May meeting, succeeding Herbert H. Nietzold, Bankers L&C.

Also elected were Albert R. Johnson, Benefit Assn. of Railway Employees, vice-president; Peter Karambelas, Central Standard Life, recording secretary and treasurer, and A. A. Rose, Retail Credit Co., was reelected corresponding secretary.

Frank R. Thomas, North American Life of Chicago, headed a panel report on the annual meeting of Home Office Life Underwriters Assn. at Boston by members who attended.

U. Of Texas Forms Insurance Committee

University of Texas has formed an Advancement of Insurance committee. The major function of the committee is to encourage creative thinking about the problems of the insurance business among university students with special interest in this area. The university states it hopes in this way to establish the University of Texas as a leading insurance education institution.

The committee has as chairman John S. Bickley and, along with six students, contains Robert W. Strain, H. Irving Schweppe and Byron Cosby.

Omaha Assn. of Life Underwriters will hold its annual awards and "Hall of Fame" dinner May 24.

Nw Mutual Revises Pension Trust For Policy Changeover

Northwestern Mutual Life has adopted a procedure whereby trustees of pension and profit-sharing funds can change ordinary or 65-life policies to retirement annuities as members of the trust reach retirement age—through side funds built up for the purpose of paying the cost of such change. The company has also reduced its charge for such changes and has established a guaranteed interest rate on deposits to the policy change funds.

With the ordinary or 65-life policies the trusts can maintain the same amount of insurance protection throughout most of the period to retirement, and with the aid of the side fund, the same retirement benefits for employee policyholders.

A retirement income or annuity policy, which builds up higher cash values than an ordinary or 65-life policy, requires higher premium payments through the years than the life form of policy. The employer who turns over a policy to an employee who quits or changes jobs, transfers a larger cash value under the retirement annuity plan than under a life plan. Hence under the life plans, the employer's cash outlay will be reduced for these terminating employees.

Through use of the policy change fund built up on the side, the trust will have the funds available for the employees who remain until retirement age to change the ordinary or 65-life policies to retirement annuities at retirement time.

The company will pay a guaranteed minimum rate of 2 1/2% interest compounded annually on money deposited in the fund, and the fund will also share in interest dividends. The basis of policy changes has been the difference in cash values between the retirement annuity and ordinary or 65-life policies plus a charge of 5%. This charge is now being reduced to 3 1/2%.

Washington National Holds Training Seminar

Washington National has held the first in a series of agency management seminars, the participants being recently appointed general agents and supervisors. Under the direction of Bruce McNichols, director of field training agency department, the seminar was to acquaint the men with the latest recruiting and training methods.



...may as well be friends!

It's a lonely old world unless we work together. We believe that one main reason for National Fidelity Life's 44 year record of achievement is the warm spirit of friendliness and cooperation that has been maintained by NFL with its field associates. Even during the present period of accelerated expansion, NFL continues to offer the personal assistance which has been so basic to the development of a growing and dynamic organization. There is better opportunity for your success at NFL, where we help each other to attain our personal goals.

NEW POSITIONS
being created for
Salaried Supervisors
and General Agents.

FULL LINE that gives
unlimited flexibility
Life, Group, A&H, both
Par and Non-Par.

LIBERAL CONTRACTS
offering you top
commissions, salaries,
bonuses, and expenses.

Write: Vice President Kemp W. Wood

**Remember, NFL cares about you and
your future—move forward with NFL**

One of the Nation's Strongest by Any Standard of Comparison



National Fidelity Life INSURANCE COMPANY • KANSAS CITY 6, MO.
W. Ralph Jones President

Levering Cartwright

INSURANCE STOCKS

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Sell Selling As Lifetime Career, Johnson Advises New Englanders

Sell the agent's job as a lifetime career, rather than an interim step to a management job, Raymond C. Johnson, New York Life's marketing vice-president, urged the management conference of the New England General Agents & Managers Assn., held at Swampscott, Mass.

Selling management opportunities is "merely following the path of least resistance," said Mr. Johnson. "We should know better. Of all people, we should know how true advancement is made by the life underwriter.

"The most valuable thing we have to sell is selling itself—lifetime careers in life insurance selling."

Some agencies seem to recruit almost all new agents with some kind of management promise, Mr. Johnson said.

"In these agencies, turnover is high and morale is low. No one can build an organization on broken promises and unfulfilled commitments. It is respect and good faith that bind men to the leader and hold an organization together."

Some Will Show Aptitude

"From the men you have recruited without promises and solely on the merits of a life underwriting career, some after a few years will show a genuine aptitude for and interest in agency management. From these men you will select your management assistants and future agency leaders."

The number of worthwhile management opportunities is few, Mr. Johnson pointed out, while the need for qualified life agents is almost unlimited.

Mr. Johnson cautioned that a field management man who "loses his sincere belief in the tremendous advantages of a career in selling cannot make a convincing presentation of the agent's job."

"Life insurance selling has become a professional career with many of the characteristics of any other profession," he said. It is based on a science; it requires much technical preparation; it places improvement of the profession as a whole above the interests of the individual; it works to serve the welfare of society."

A doctor or lawyer—or a life insurance agent—advances by establishing a reputation for skill and understand-

New Option Of B.M.A. Guarantees Insurability

Business Men's Assurance has introduced a guaranteed insurability option, effective April 1. The option may be included with any life or endowment contract—except joint life or family plan—which will be in force at age 40, issued on a standard basis and with a face amount of \$10,000.

Available to men and women, ages 0 to 37, it permits purchase of specified amounts of coverage on specified dates without evidence of insurability. On policies with a face amount of \$5,000 to \$9,999, the amount of option is the same as the basic contract. The option of \$10,000 is available on all contracts with a face amount of \$10,000 or more.

ing, by building a larger and larger clientele and by achieving increasing financial success, Mr. Johnson said.

Just as appointment to a professorship at a medical school or election as district attorney does not necessarily represent advancement for a successful doctor or lawyer, he observed, so appointment to a salaried position is not necessarily a promotion for a successful agent.

No Appeal To Stars

"Would one of our top producers consider such an appointment an advancement in his career?" asked Mr. Johnson. Of course not. But some of this thinking from general business carries over into life insurance selling.

"In most businesses, advancement is indicated only by progress through a series of jobs and titles in the organization. But life insurance is different."

As some of the satisfactions of life insurance selling, Mr. Johnson listed these:

—Independence and freedom of ac-

Sees Need For Joint Effort On Conflicts In Escheat Statutes

There is an urgent need for further study of the problem of claims of states to unclaimed funds of life companies and other institutions, said Robert B. Ely III, general counsel of Life of North America at the spring meeting of Assn. of Life Insurance Counsel at White Sulphur Springs. He suggested collaborative efforts with other affected businesses to obtain a just solution.

Interstate Problems

As to the problem of interstate conflicts of jurisdiction, he suggested a U. S. Supreme Court decision defining which state, of all, has the exclusive right to inherit, escheat or take into custody each type of ownerless or unclaimed property; state judicial relief of all similar lines; legislative relief through Congress, such as an act under the interstate commerce power, leaving it to each state to determine which property to inherit, escheat or take into custody but prescribing rules for the solution of multi-state claims against a holder engaged in interstate commerce or arising out of a transaction in such commerce, and state legislative relief, such as statutes consenting to interpleader in the case of such conflicting claims.

As to the more general problem, Mr. Ely has suggested both federal and state judicial and legislative actions to obtain adherence to the basic principles that no law providing for inheritance, escheat or collection by the state shall operate retroactively, destroy defenses available against the original owner of the property, affect property beyond the proper control of the state, subject a holder to conflicting claims, or involve the holder or the state in unreasonable effort and expense.

Sullivan Of Kan. To Run Again

Commissioner Frank Sullivan of Kansas has filed for reelection in November. Mr. Sullivan is a Republican and in his years in office has weathered some elections that went heavily Democratic. The Kansas commissioner serves for two years.

tion—an agent can call his time his own much more than a general agent or manager can.

—Job security—if a man with 1,000 clients loses one, he has no problem; if a man with a salaried job loses the confidence of the one "client" who is his boss, he loses his entire source of income.

Builds Prestige

—Prestige—the ultimate result of competent service and attention to the needs of policyholders.

—Satisfaction of helping others directly—he can see with his own eyes the value of his work.

—Fun in his work—the thrill of being a leader, a top man in his profession.

—Earnings—many leading producers earn more than their "bosses" in management.

"To the right man, life underwriting has much to offer," Mr. Johnson said. "Let's be realistic with him about the difficulties he will encounter. But let's also tell him from the outset of the joys, satisfactions and opportunities he will find in a lifetime career as a life underwriter."



Robert Burns, president Farmers & Bankers Life, left, with Clayton Mammel, Wichita agent for the company. Mr. Mammel was presented with the first and only award of its kind made in the company's 50-year history for his 35 years of "unprecedented sales achievement." The award is in the form of a resolution adopted by the board commemorating Mr. Mammel's service. In addition he was awarded a bronze plaque commanding him for having repeatedly qualified for membership in the company's Million Dollar Club.

one of the
best
and one of the
busiest

Comparable year-to-date figures continue to show that Central Life's sales consistently run well ahead of the life insurance industry as a whole. There are several reasons why this is so—and Central Life agents agree that an important one is *true graduated premium* on all plans (except single premium). The quantity discount idea, first introduced in the United States by Central Life in 1955, is another example of the sales-minded leadership that's making "One of the Best" one of the busiest, too!

Central Life

ASSURANCE COMPANY, DES MOINES 6, IOWA

Progressive and competitive, yes . . . but not

at the expense of financial security

ASSETS	\$168 Million
SURPLUS	\$14 Million
INSURANCE IN FORCE	\$575 Million

HOME LIFE CENTENNIAL RALLY TOLD:**Many Want College For Their Children
But Few Are Getting Set For The Cost**

NEW YORK—A survey of American family attitudes toward college education indicates that while 70% of the families expect to send one or more children to college, the great majority of families have no concrete plan for meeting the high cost of college education.

This was reported by Elmo Roper, nationally known marketing authority and director of Home Life of New York, at the convention here celebrating the 100th anniversary of Home Life. The figures are from a study made by the Roper organization.

Panel On Insurance Use

Following his talk there was a panel discussion on the use of life insurance to fund college education and a report of the company's marketing plans in this field. Participating were Charles A. Turner, 2nd vice-presi-

dent, Guy W. Pickering, 2nd vice-president and actuary, and William W. Stewart Jr., manager of agencies.

At the luncheon that followed, President Holgar J. Johnson of Institute of Life Insurance, commented on the important role that Home Life's "planned estates" system of selling has played in modern life insurance marketing. In describing the public relations and education work of the institute, he recalled that the late James A. Fulton, former president of Home Life, was one of the insurance leaders who played a major role in setting up the institute.

Executive Vice-president Lester O. Schriver of NALU spoke at the second day's session, talking on his convictions about the insurance business and the agent's role. Gerald K. Rugger, 2nd vice-president-group insurance, and James T. McCrystal, assistant



At the centennial dinner of Home Life of New York: from left, Manager Raymond C. Ellis, principal speaker of the evening; Mrs. William J. Cameron, wife of the former president and chairman; Mr. Cameron, and Insurance Superintendent Thacher of New York, who addressed the gathering.

vice-president, introduced Home Life's new group developments, including two new contracts, Group Family Income and Group Family Protector. They announced that the company is returning to the small-group field and was increasing its group maximums, where warranted, to considerably higher limits than its previous ones.

Wives of conference participants

then joined their husbands to hear a talk by President William P. Worthington on "What Business Is Your Husband In?"

"Perhaps the most vital contribution you can make to your husband's career is your conviction about his work," he said. "The wife of a successful man invariably has the same convictions about life insurance as her husband."

"People resist the purchase of life insurance because of their impelling desires for the other things they want. This attitude is one of the most difficult your husband has to cope with. It prevails largely because people generally do not really understand life in-

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Ga. International Life Reduces Premium Rates For Lightweight Risks

Georgia International Life has begun covering at preferred rates male risks who are moderately underweight and have low normal blood pressure. Such risks are being classified as "super select" for which premium rates are the same as for females of the same age. Savings range from \$10 to \$100 per year per \$25,000 policy depending on age.

The lower premium coverage is available only in connection with pre-paid applications for whole life and endowment plans in the \$25,000-\$100,000 range. The insured must be employed in professional, clerical or skilled duties, and may be neither in aviation nor a member of the armed forces.

All underwriting factors must be within the standard range. Age limits are 26 to 74.

The basis for the new underwriting classification, which has an anticipated over-all mortality ratio of 85% of normal, is the recent build and blood pressure study by Society of Actuaries.

Supreme Liberty Acquires Another

Supreme Liberty Life of Chicago has purchased Federal Life of Washington, D.C. Federal currently has a capital and surplus of \$109,000 and assets of nearly \$1 million. It operates exclusively in the District of Columbia, where Supreme has one of its 34 branches. The acquisition of Federal marks the second company absorbed by Supreme in 1960 and the fifth since 1958. In March of this year, Beneficial Life of Detroit was reinsured by Supreme.

The Hammer agency of Provident Mutual Life at Boston has moved into the enlarged quarters of the Green agency at 45 Milk Street in preparation for the merger of the two agencies, July 1.

HERE WE GROW AGAIN

With a gain of approximately \$96,000,000
for the first quarter of 1960.



THE
**NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY**
HOME OFFICE—NASHVILLE, TENNESSEE

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Insurance Su-

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The Sales Department of Franklin
Life is not the whole company . . .
but the whole company is the Sales
Department.

An agent cannot long travel at a faster gait than the company he represents



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

One of the 15 Oldest Stock Legal Reserve Life Companies in America

Over Three Billion Six Hundred Million Dollars of Insurance in Force

'Girl Friday' Aids Bentley During Talk On General Agency Office Organization

Working on the theory that the story about how to organize a general agency office for maximum efficiency can best be told by the person responsible for carrying the routine workload, Kenneth R. Bentley, general agent of Mutual Benefit Life at Danville, Ill., in a speech at the educational meeting of New York City Life Underwriters Assn., called upon his private secretary, Mrs. Marilyn Joffe, to describe how his operation works. The meeting was co-sponsored by the New York City CLU chapter.

Cites Practical Aspects

Mr. Bentley's portion of the program dealt with some of the more practical aspects of insurance selling, whereas Richard E. Pille, president of Security Mutual of New York, who preceded Mr. Bentley on the dais, concerned himself with the moral climate of the life insurance business. In a speech of a more inspirational na-

ture than Mr. Bentley's, Mr. Pille developed the point that agents are too often not using their professional knowledge in the best interest of the client.

Saying that it is the business of an agent to see and be with clients 90% of his time on the job, Mr. Bentley maintained that such a goal can never be attained if the producer is bogged down by inefficient office routine. He said that production success is always preceded by effective personal organization. The fine line which exists between the average producer and the successful one, he said, is a matter of how much better one agent organizes himself than another.

Mr. Bentley likened a general agency to any other type of big business, wherein scheduling must often be done in some 35 different areas, all of which have to be planned on a long range basis. A good agent schedules his calls and contacts, he said, by the

week, or better yet, by the month. He described how every Monday morning he receives from Mrs. Joffe four schedules of how he is to spend his time during the coming week—a schedule of new cases, old ones and follow-ups; a second list of business cases; a group case list, and a general inventory list.

Many of the New York City agents attending the meeting, obviously alerted to the fact that Mrs. Joffe would take over part of the program, were accompanied by their secretaries. In a novel form of presentation, Mrs. Joffe gave both members of office teams several pointers on how she manages to keep Mr. Bentley out in the field doing the job he is best suited for—selling. Secretaries, she said, can make a substantial contribution to an agency's success if they do the following:

—Take it upon themselves to handle all the small details of office routine. Every moment the agent spends in this phase of office operations is money lost for the agency.

—Keep the mailing list up to date.

(CONTINUED ON PAGE 41)



"Now, that's what I call service!"

So do we! At HCA we believe the real difference in hotels is the way people are treated. After all, what is service but an awareness of people's needs?

HCA calls it *personalized service*. That means you get the kind of service that arranges perfect seating, a P. A. system that functions properly, and projection equipment, visual aids, lights and props set up

when and where you need them. These and many more conveniences are all arranged for you by a staff that knows your problems—and how to solve them.

Tell us your requirements and we'll help make your next convention more successful. For information or reservations at any of the HCA hotels, contact your nearest HCA hotel.

The Plaza
New York, N. Y.

Hotel Roosevelt
New York, N. Y.

The Mayflower
Washington, D. C.

Edgewater Beach Hotel
Chicago, Ill.

Somerset Hotel—
Hotel Kenmore
Boston, Mass.

Palm Beach Biltmore
Palm Beach, Fla.

The Royal Orleans
New Orleans, La.
(Summer, 1960)

Hotel Quito
Quito, Ecuador

Charterhouse Motor Hotel
Cleveland (Euclid), Ohio

Charterhouse Motor Hotel
Washington, D. C.



HOTEL CORPORATION OF AMERICA

A. M. SONNABEND, President

Sullivan Gives Indiana Agents Five Rules For MDRT Qualification

Frank E. Sullivan, American United Life, South Bend, addressing the annual convention of Indiana League Club at Turkey Run State Park, laid down five rules as a step-by-step approach to writing \$1 million of life insurance. These were: Talk to one person a day who is on the agent's own social and economic level; go with the prospects or they will go without the agent; don't finish one case before opening the next, and write down the ultimate goal and break it into size areas. Mr. Sullivan said the only really hard work in the life business is getting names.

New officers elected by the club are: Wilbur Lawall, Lincoln National Life, South Bend, president; Harold Bell, Northwestern Mutual Life, Muncie, vice-president; Garnett Inman, Wisconsin National Life, New Albany, secretary, and Robert French, New England Life, Indianapolis, treasurer.

Is Broadening Of Field

Robert W. Osler, president of Underwriters National Assurance, told the meeting that writing health insurance isn't a matter of entering new field. He said it is simply broadening of the field the agent already in: The field of income insurance as contrasted with property insurance.

There aren't even any new sales talks to learn, Mr. Osler stated. The agent need add only "or disability," any sales talk he has ever used (except retirement) and he has a perfect sales talk for the integrated sale of life and health insurance.

Mr. Osler charged that most health insurance today is being sold on "policy peddling" basis—"A basis of which you'd be ashamed to sell life insurance," he said. Not until agents accept the concept of "needs selling" in the health field—as they already have in the life field—will the business see adequate coverage of the American public, he concluded.

Raises Qualification Rules

The association raised sharply the qualification rules. The previous volume credit requirement of \$300,000 was stepped up to \$400,000, with restrictions placed on term used for credit. A proposal to add a first year commission requirement of \$4,000 minimum was defeated.

In other business, the club passed a resolution requesting Indiana State Assn. of Life Underwriters to seek action through the Indiana commissioner against mail order advertisements that state or imply they offer low rates by eliminating the agent's commission.

To Sell \$1 Million Of Prudential Notes

Hawley Products Co. of St. Charles, Ill., has entered into an agreement to sell \$1 million of notes due Dec. 1974, to Prudential. Hawley Products and its wholly owned subsidiary, Western Molded Fibre Products, Gardena, Cal., produces preformed molded fiber products. Proceeds of the notes will be used to retire existing indebtedness and to provide capital improvements.

Dean Witter & Co. acted as agent for the company, which is headed by D. W. Hawley, and arranged the financing with Prudential's Chicago regional home office.

Indiana
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xtionFranklin Life Holds
\$1 Million Conference

Franklin Life held the charter session of its million dollar conference in Chattanooga. The two-day conference honored Franklin agents who had attained in one year a production of \$1 million of net paid face amount of business.

Franklin guests for the meeting included Lester O. Schriver, executive vice-president NALU; Zack D. Cravey and John R. Long Jr., commissioners for Georgia and Tennessee.

Speakers included Franklin's Western Executive Director George A. Landis; Regional Sales Director W. W. Chamberlin Jr.; General Agent James B. Tisdale; Manager Fred A. Wiedemann; Director of Pension Sales W. I. Yeagers; General Agent Russell W. Huether; Manager James E. Baehr, and Mr. Schriver.

Publicity Job Done By
Detroit Assn. Shown

Graphically In Montage

DETROIT—The amount of publicity that the Detroit Life Underwriters Assn. has been instrumental in getting for its members is graphically shown in a 14 by 20 inch montage reproducing many of the articles that appeared in the insurance and daily papers in 1959.

Managing Director Ruth Barringer has sent the composite to all of the association's 1,200 members.

Deposit Administration

Seen Still Warranting

Federal Tax Exemption

The question of whether deposit administration funds for group annuities are to be considered as reserves or as interest-bearing obligations under the federal income tax law was discussed by Stuart McCarthy, associate counsel of Equitable Society at the spring meeting of Assn. of Life Insurance Counsel at White Sulphur Springs.

He said there is no dissent from the proposition that insured plans using the deposit administration mechanism are within the category that Congress intended to benefit by the provision exempting from tax the investment income earnings on "pension plan reserves." It is not anticipated that technicalities will be permitted to defeat this intention.

Have Been Treated As Reserves

The question is whether these funds should be counted as "pension plan reserves" like other group annuity contract reserves or whether approximately the same effect is to be achieved through a different approach.

Mr. McCarthy pointed out that under definitions substantially similar to that now contained in section 801(b) most companies issuing deposit administration contracts have consistently treated deposit administration funds as part of the life insurance reserves over a period of perhaps 30 years. During much of this time, however, when the "Secretary's ratio" was in effect, this treatment did not have the specific tax consequences for a particular company that it does under the 1959 act.

If deposit administration funds are held not to be life insurance reserves and hence not pension plan reserves, an alternative treatment would be to consider the interest credited to such

funds as "interest paid" under section 805(e) of the internal revenue code, said Mr. McCarthy.

Would Appear To Be Warranted

This treatment, although somewhat artificial as compared with the "reserves" approach, would appear to be warranted by the language of the code. Considerations under state insurance laws, among other things, would affect the determination whether or not the results would be as favorable to insurers as the treatment of these funds as life insurance reserves.

All American L.&C.
Holds Annual Meeting

All American L.&C. stockholders were told at the 10th annual meeting by President E. E. Ballard that the net asset value of the company to the stockholders had increased by more than \$1,537,638 in 1959. He also highlighted the gains for the first four months over the previous year.

A&S premiums were \$1,483,390, a 20.8% gain. Life premiums, including group, were \$1,106,564, a rise of 47.6%, and the in-force figure was \$160,-

481,833, an 81.2% increase. Gross investment income of \$145,061 was an increase of 15.1%.

Two cash dividends of \$120,000 were paid out of earned surplus, and a stock dividend of 6% was paid in April. The company will erect a new home office by the fall of 1961.

Washtenaw County (Mich.) Life Underwriters Assn. has elected Russell E. Brewer president, Forrest D. Patterson and Merlyn C. Keller vice-presidents, and Maurice L. Faupel secretary-treasurer.



how to be a busier broker!

You'll have—More leads to see, More sales to close, if you use Security Mutual's powerful "Busy Broker" Direct Mail Program!

Here's a program "all your own." Completely personalized to sell your service. A series of proven lead-getters going out under your name... bringing qualified leads directly to you on business reply cards!

And they sell some of the finest coverages you've ever seen... Retirement Income, Mortgage Protection, Sickness & Accident, Education as well as coverage to supplement Social Security. Coverages that everyone wants. Coverages that are easy to sell!

Name _____

Title _____

Company _____

Street _____

City _____

State _____



security mutual life insurance company
Your Security our Mutual responsibility
Richard E. Pille, President.
Harland L. Knight, Agency Vice President.
81 EXCHANGE STREET, BINGHAMTON, N.Y.

New Life Of Virginia Policy Series Being Quantity Discounted

Life of Virginia has added two series of policies to its portfolio—the Virginian series for policies of \$5,000 or more and the Basic Protection series for smaller amounts—which have a quantity discounting feature and broader benefits.

Minimum face amount on ordinary business has been reduced to \$500, and premiums on policies for less than

\$5,000 may be paid on a weekly basis with a \$2.50 per week maximum, as well as at longer intervals.

The Virginian series, issued at standard and special class one and two, includes automatic waiver of premium benefit between ages 5-60. The Basic Protection series, in addition to the waiver of premium benefit, includes accidental death and loss of eyesight and limb benefits in the standard and class one and two policies. Policies in both series, excepting increasing term coverage, include without extra premium a common carrier accidental

death benefit which pays an amount equal to the face amount, in addition to any ADB in the policy if insured dies while a fare-paying passenger on a public conveyance.

Quantity Discounting Rates

Premiums in both series are quantity discounted. In the Basic Protection series, the rate per \$1,000 for face amounts of \$2,500 to \$4,999 is \$1.50 less than that for \$500 to \$2,499 policies. In the Virginian series, the discount is 75 cents per \$1,000 for policies of \$5,000 to \$9,999 and an additional 75 cents for face amounts above \$10,000.

Term coverage in the new series is convertible to whole life, including provisions for waiver of premium if contained in the original policy.

Also introduced were the following riders and policies:

—A guaranteed insurability rider, having a minimum of \$5,000 and a maximum of \$10,000 on the basic amount purchasable at three year intervals from ages 25 to 40.

—A new plan providing double coverage up to age 65, at which time it becomes paid up.

Family Income Riders

—A 10-year, \$30 and \$40 per month, per \$1,000 family income rider and a 15-year, \$30 per month, per \$1,000 rider.

—An option to buy a non-medical single premium life policy with part of the proceeds from a matured endowment. The rider may be attached to all endowment policies and to 20-payment life policies on which election has been made to continue premiums to mature them as endowments. The face amount of the single premium policy must be equal to the matured amount of the endowment policy. The company, under this rider, makes a cash payment to the insured equal to the maturity value of the endowment policy, less the cost of the new single premium life policy.

In addition to the changes in policies, premiums on annuity contracts have been reduced and annual premium retirement annuity rates have been graded by size.

Agency Building Seminars Being Held By Berkshire

During May, Berkshire Life is holding a series of two-day seminars on agency building for general agents and supervisors of its full time agencies. At each seminar, Charles W. Earnshaw, director of training and sales promotion, explains recruiting, selection, training, supervision and time control procedures. Berkshire officers are scheduled to attend an abbreviated version of the seminars.

Says Life Business Due For Bigger Share Of Consumer Dollar

Life insurance will attract a bigger share of consumer's savings dollar during the 1960s despite increasing competition, T. S. Burnett, president Pacific Mutual Life, said at his company's annual group seminar in Phoenix.

There has never been a time in history, Mr. Burnett said, when so many additions to the work force will have been provided in a single decade. Quoting figures that indicated 75% of all newly eligible workers in the 1960s would be between the ages of 20 and 29, he said that these people will need life insurance and A&S protection in addition to planning for a more comfortable retirement.

Taking part in the four-day program of work sessions besides Mr. Burnett were 70 top Pacific Mutual representatives and executives, including Asa V. Call, chairman; Ralph J. Walker, vice-president, and Darwin S. Liggett, assistant vice-president.

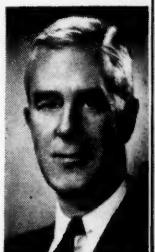
Mr. Liggett presented production achievement awards for outstanding group and pension sales efforts during 1959 to eight field office heads. Accepting awards for their group offices were Frederick A. Beyer, Chicago; Donald D. Davis, Fresno; Eugene M. Lyons, Houston; Carroll D. Cox, Indianapolis; Walter Roche Jr., Los Angeles; Walter C. Profio, Philadelphia; Earl G. Unze, San Francisco, and John P. Farrington, Washington, D.C.

An innovation to train field representatives in half the time and allow proportionately greater time for policyholder service was introduced at the seminar by Mr. Liggett.

H. A. Houghton Elected John Hancock 1st V-P

H. Arnold Houghton, who has been a John Hancock 2nd vice-president since 1955, has been elected 1st vice-president.

Mr. Houghton joined John Hancock in 1924, was appointed assistant manager in the underwriting department in 1939 and associate underwriting director in 1953. He is an active member of Home Office Life Underwriters Assn. which he served as editor during 1947-49.



H. A. Houghton



"The Chief's Prophecy"

Following Braddock's defeat in the French & Indian Wars of 1755, George Washington—as one of the few surviving officers—was consoled by a friendly Indian chief, ally of the British, who foresaw in Washington the coming of greatness.

This reproduction is one in a series of eleven original oil paintings by Walter Haskell Hinton which portray little-known events in the life of our Country's first president, George Washington.

A booklet containing full-color reproduction of all eleven paintings is available upon request. In addition, we hope you will visit us and view the original paintings which hang in our Home Office Gallery.

Washington National INSURANCE COMPANY

EXECUTIVE OFFICES • EVANSTON, ILL.



LIFE • ACCIDENT • SICKNESS • GROUP • HOSPITAL • SURGICAL • MEDICAL

OUTSTANDING MEN AVAILABLE

LIFE REGIONAL DIRECTOR, late twenties. Six years recruiting and training. Impressive record reducing man power turn over and increasing production. Earning \$10,500.

A&H PRODUCTION SPECIALIST

17 years personal production, field management and Home Office supervision, mostly with one leading A&H Co. Will consider \$15,000. plus incentive.

Men available for casualty—Fire—Life—A&H positions in all areas. All inquiries confidential.

FERGASON PERSONNEL INSURANCE PERSONNEL EXCLUSIVELY

330 S. Wells

HARRISON 7-9040

Chicago 6, Illinois

The
EQUITABLE
LIFE OF PETER
THOMPSON
in Los Angeles



Peter Thompson, CLU, and his wife Ruth, spent their 36th wedding anniversary in Hawaii this year—and awaited the arrival of their fifth grandchild. The matching trio are daughter Carolyn, granddaughter Mary Christina, and son-

in-law John R. Stephenson, M.D. Another daughter, with three children, is married to a nuclear physicist. Peter, of the Klove Agency, is president of Equitable's CLU Association, and past president of the Group Millionaires' Club.



He devotes much time to welfare activities as a member of the Board of Governors of the Welfare Federation of L.A., which handles Community Chest funds for 171 social agencies.



Has helped the Lark Ellen Home for Boys as a Board member for many years. Here he discusses expansion plans with heads of the Home—which provides full-time care to boys from broken homes.



Also is a trustee for The Barlow Sanatorium Association, for TB patients with limited funds. Here he tells Dr. Howard Bosworth, head of Barlow, that additional funds are coming.

Danish-born Peter is Vice President of the International Institute of Los Angeles, which helps foreign newcomers get on their feet. Bilingual case workers provide for group activities, health and language needs.



He's president of Life Insurance and Trust Council of L.A., consisting of Trust Officers and Life Underwriters. Ron Stever (left) and W. L. Bradway (right) are also Equitable Million Dollar producers.



A Man's Prestige somehow goes hand in hand with the prestige of the company he represents. This is why Peter is proud to be a life underwriter for Equitable. It is a full life. And a rewarding one. **Living Insurance is more than a need...it's a career!**

The
EQUITABLE

**Life Assurance Society
of the United States**

Home Office: 393 Seventh Avenue
New York 1, N. Y. ©1960

Home Office Changes

American Travelers Life



Herbert Galin

Herbert Galin has been appointed agencies superintendent. He has been group district representative for Provident Life & Accident for the past 10 years.

Pacific Mutual Life

R. E. Sheehan has been named executive assistant. Formerly manager of the Pacific Mutual Building, he will be replaced in that post by R. M. Kelley Jr. In addition to his new duties, Mr. Sheehan will continue to supervise the construction of new com-

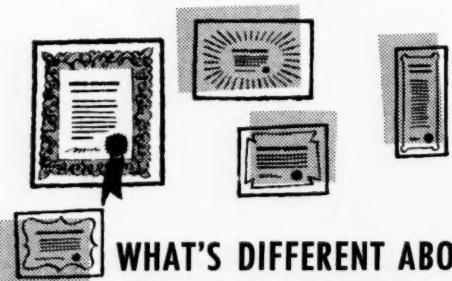
pany-owned and occupied buildings countrywide. He is a director and vice-president of Building Owners & Managers Assn. and a past president of Building Managers Assn. of Los Angeles. Mr. Kelley for 10 years has been in the company's mortgage loan and real estate divisions.

Inter-Ocean

B. B. Holmes, vice-president Allied division of Ball Bros. Co. of Munice and general manager of the company's plants in that city, has been elected to the board to fill the vacancy created by the death of B. W. Balay, former Inter-Ocean auditor and father of B. W. Balay, general agent for the company at Jacksonville, Fla.

Prudential

J. B. Murray Jr., director of city loans, has been promoted to executive director, industrial loans and property



WHAT'S DIFFERENT ABOUT OUR MAJOR MEDICAL?

First. It's guaranteed renewable to 75.

Second. It has a PAID UP benefit after 75. (Between 65 and 75 a total maximum of \$7,500 is allowed. If this is not used up, as much as \$1,000 may be carried past 75 as paid up coverage.)

Next. Newborn children are automatically covered until the next premium becomes due. Coverage may then be continued without evidence of insurability.

Next. Dependent children are carried (at dependent rates) until they are 22.

Next. Biggest expenses are not co-insured. Surgery, hospital room and board, assistant surgeon, anesthetist and local ambulance service are covered 100% (subject to maximum limits). Other benefits are covered on a liberal 80%-20% co-insurance basis.

These benefits, combined with a maximum coverage of \$7,500 and a choice of deductibles, make our Major Medical different—and popular.

OCCIDENTAL LIFE

Insurance Company of California

Home Office: Los Angeles/W. B. Stannard, Senior Vice President
(A MEMBER OF THE TRANSAMERICA INSURANCE GROUP)

We pay Lifetime Renewals...they last as long as you do!

purchases, and G. J. Kelber, associate director, mortgage loan and real estate investments, becomes director, industrial loans and property purchases.

G. W. Althoff, staff manager at Belleville, Ill., district office since 1954, has been promoted to regional supervisor in the Chicago regional home office.

All American L&C.

R. E. Main has been elected vice-president and superintendent of agencies; G. J. McArdle was named educational director, and J. J. Mertz has joined the company as consultant to the administrative staff.

Mr. Main began with the company a year ago as agency administrator and was formerly with Jefferson National Life in the field and home office, most



R. E. Main



J. J. Mertz

recently as director of agencies. Mr. McArdle has also been with the company for one year as a general agent.

Mr. Mertz was previously vice-president and comptroller of Continental Casualty and Continental Assurance and a director of the casualty company.

Colonial Life

L. S. Brown, superintendent of ordinary agencies, has been appointed 2nd vice-president of ordinary agencies. He has also been with Canada Life at Montreal and New England Life. He is a CLU.

D. J. Moe, secretary, personal A&S, has been appointed 2nd vice-president of that department. He has been assistant secretary for United States Life and is 1st vice-president of A&H Club of New York.

Miss G. A. Schlachter, associate actuary, has been appointed 2nd vice-president, associate actuary. She is a fellow of Society of Actuaries.

J. S. Thatcher, head of the underwriting department, has been appointed 2nd vice-president, underwriting. He has also been with Equitable Society and American Life. He is a CLU.

American Mutual Life

Howard Nelson has been appointed assistant secretary succeeding A. C. Latta, who is retiring after 45 years with the company. Mr. Nelson will supervise premium collection and tabulating.

United States Life

William Hauser, former home office group agent, has been promoted to district manager in charge of the New York City area.

International Opportunity

J. O. Robinson has been elected executive vice-president and a director and will serve as chief adminis-

trative officer. Mr. Robinson has been in insurance since World War II most recently as president of Colorado Credit Life and Equity General.

International Opportunity was chartered by Colorado a year ago and now has \$364,000 capital and \$900,000 surplus. The company has \$2,872,000 force.

Ohio National

J. E. Zinchak has been promoted from attorney to assistant general counsel. He has been with Nationwide Mutual and the Ohio insurance department.

Citizens National Life

F. J. Wilkins, administrative assistant, has been named to the board.

Lincoln National Life

G. B. Simmons and J. R. Thompson have been named publications assistant and publicity assistant, respectively.

MODERN L&A. of Chicago has named Vernon Gerhardt field supervisor to work out of the home office with new general agents and brokers. He was most recently assistant manager in the Chicago office of Continental Assurance and has been in the life insurance business since 1933. He is vice-president of Chicago A&A Assn.

GUARANTY INCOME LIFE—G. A. Foster Jr. has been appointed executive vice-president.

BENEFICIAL STANDARD LIFE has named B. H. Swig to the board.

FIRST NATIONAL LIFE of Phoenix has named M. J. Albano officer in charge of systems and procedures.

R. C. Nathan has been made assistant to the general manager of **NATIONAL FARMERS UNION LIFE**. He has been with the company since 1949.

Lafayette Life Introduces Policies, Other Changes At Agency Convention

Lafayette Life's agency convention in White Sulphur Springs drew over 200 field men and their wives and marked the entrance of the company into not only the field of gradation of premiums but also, through a new guaranteed purchase option, guaranteed insurability. A minimum \$25,000

ordinary policy, the president's special was introduced together with a new five year convertible term plan which automatically converts to ordinary life at the end of the fifth year unless converted prior to that time.

What the company termed a "substantial increase" in dividends became effective April 1 and dividend accumulations as well as deposits in the premium deposit fund are now being accumulated at 3 1/2% interest. New and revised laminated rate and value slide cards were presented covering three mortgage plans and 16 other permanent and term plans.

New Life Insurer Planned

American Heritage Investment Corp. has been formed at Fort Wayne with Harold E. Seaman as president. He is also president of United Mutual of Fort Wayne. The primary purpose of American Heritage Investment Corp. will be the formation of a life insurance company.

Appalachian National Life has become a member of LIAMA.

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Accidental Deaths Are Surprisingly Low For 'Chutists, Missilemen'

A story of favorable mortality experience in perilous operations was told by the occupational committee in a panel discussion at the annual meeting of the Home Office Life Underwriters Assn. at Boston.

Among those participating were Col. George M. Knauf, USAF, Air Force Missile Test Center, Patrick Air Force Base, Fla.; Howard A. Nelson, assistant secretary of John Hancock, and George W. Wilson, underwriting officer of Sun Life of Canada.

Col. Knauf told underwriters that in those years of missile operations at Cape Canaveral there have been three deaths, none of which could be ascribed to a work situation peculiar to missile operations.

Human Error Persists

"We go to great lengths to educate our people in the ways to live with missiles safely," Col. Knauf said. "In spite of this it is estimated that between 25 and 40% of missile failures are the result of some sort of human error."

"The tool dropped from overhead is still the greatest source of disabling injuries in our missile test program," he said.

Mr. Nelson said that life companies are now insuring "sky divers," people who make a hobby of parachute jumping, because of reduced hazard through safety regulations and qualifications which are now obligatory in some states.

These parachutists pull their rip-cords up to one minute after the jump, yet in the past four years there have been only five deaths among those who belong to the Parachute Club of America, which regulates jumping conditions.

About eight deaths a year occur in unregulated jumps, Mr. Nelson reported.

Mortality Experience Improving

Mr. Wilson reported that the mortality hazard is decreasing in several occupations, particularly in chemistry, due to improvements in working conditions and safety consciousness since World War II.

"The hazards to health from dust, heat and fumes have been greatly diminished by improved ventilation, air conditioning and so forth, and by regular medical checkups, including blood tests, where necessary," Mr. Nelson said.

In addition, good figures have been shown by agricultural workers railroad employees, workers in clay, glass and stone, printers, and metallurgists.

Cleveland CLUs Conduct Compensation Plan Seminar

A seminar on tax saving compensation plans sponsored by Cleveland chapter of CLU attracted a turnout of 350.

Speakers were Norman A. Sugarman of Baker, Hostetler & Patterson, Cleveland; Fred D. Kidder of Arter, Hadden, Wykoff & Van Duzer, Cleveland; Richard Katcher, of Ulmer, Berne, Laronge, Glickman & Curtis; and William J. Vesely of Thompson, Hine & Flory. The luncheon speaker, James M. Dawson, vice-president of National City Bank of Cleveland, titled his talk "A Crystal Ball Look at Business."

Participating in a panel discussion were J. Robert Swartz of Squire,

LIFE INSURANCE EDITION

Triple Indemnity Rider Added By Citizens Life

Citizens Life has added a triple indemnity benefit to all policies having a double indemnity rider. The additional benefit is available at no extra premium cost and becomes payable if the insured's death is caused by accident while he is a fare paying passenger on a common carrier. Although the double indemnity benefit is effective to age 65, the triple indemnity benefit is effective to age 70.

United States Life Total In Force Over \$1 1/2 Billion

United States Life's insurance in force has passed the \$1 1/2 billion mark and total ordinary paid for sales for the first quarter showed a gain of 11.7%. Announcement of the in-force and sales figures was made in Buffalo by Gordon E. Crosby Jr., vice-president and director of agencies, at a dinner honoring the Chapman agency of New York City and Buffalo for its 23 years of service with the company.

INSIDE U.S.A.

ARIZONA Chandler, Litchfield Park, Phoenix, Scottsdale near Phoenix
CALIFORNIA Los Angeles, Montecito, Santa Barbara, Monterey, Palm Springs, Pebble Beach, San Francisco
COLORADO Colorado Springs, Denver
FLORIDA Delray at Clearwater, Boca Raton, Fort Lauderdale, Miami, Key Biscayne, Palm Beach, Punta Gorda, St. Petersburg
IDAHO Sun Valley
ILLINOIS Chicago
MAINE Kennebunkport, Fowlers Neck
MARYLAND Baltimore, Chestertown
MASSACHUSETTS West Dennis
MICHIGAN Munising Islands
MINNESOTA Minneapolis
MISSISSIPPI Eudora Park
MISSOURI St. Louis
NEW HAMPSHIRE Franconia, Melvin Village, Portsmouth, Whitefield
NEW JERSEY Atlantic City, New York
NEW YORK Cooperstown, New York, West Point, Whiteface-on-Lake, Placid
OKLAHOMA Oklahoma City
PENNSYLVANIA Bedford Springs, Hershey, Philadelphia
PITTSBURGH Kenny's Manor, Monroeville, Whitemarsh
UTAH Salt Lake City
VERMONT Manchester
VIRGINIA Virginia Beach
WEST VIRGINIA White Sulphur Springs
OUTSIDE U.S.A.
BAHAMAS Nassau
BERMUDA Hamilton
CANADA Hamilton, Ontario, B.C., Marquette Hot Springs
CANADIAN PACIFIC HOTELS Banff, Alberta, Calgary, Alberta, St. John's, Nova Scotia, Kentville, Nova Scotia, Lake Louise, Alberta, Quebec City, Quebec, Regina, Sask.
ST. ANDREWS-BY-THE-SEA, N.B.
SEA, N.B.
TORONTO, ONTARIO
MONTEGO BAY, JAMAICA
MEXICO

Survey at a glance

70 of the WORLD'S GREATEST CONVENTION LOCATIONS

Yours for the asking, *at no cost*, is a complete survey of outstanding meeting places, prepared by Robert F. Warner, Inc., recognized leader for over a quarter of a century in the field of hotel representation, with service offices in key cities.



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ORGANIZATION _____

CITY _____ ZONE _____ STATE _____

Society Of Actuaries' Western Spring Rally Covers Many Subjects And Developments

NEW ORLEANS—The western spring meeting of Society of Actuaries drew 355 persons to the Roosevelt Hotel. Recent developments and important problems were reviewed in the general session and in the three simultaneous sessions held on ordinary insurance, industrial and employee benefits. A smaller company forum was devoted to questions concerning

federal tax, the annual statement and electronic data processing.

James E. Hoskins, recently retired from Travelers, society president, opened the meeting and presided over the business session. Chairmen for the general session were the society's two vice-presidents, T. E. Gill, London Life, and M. D. Miller, Equitable So-

ciety, reporting for the committee on construction of monetary values based on the 1958 CSO Table, stated that arrangements are well in progress for publishing 44 volumes with 11,000 pages of values of premiums, reserves, minimum legal values and related functions at various interest rates.

N. F. Buck, Lincoln National, presented a paper on "First Year Lapse and Default Rates," upon which E. J. Moorehead, New England Life, and J. C. H. Anderson, Georgia International, commented. C. F. B. Richard-

son, Mutual of New York, presented results of his company's detailed study of lapses. E. J. Morton, John Hancock, illustrated the effects on aggregate lapse rates which are introduced when lapse rates are known to decrease by age and size of policy. N. W. MacIntyre, Mutual of New York, made the observation that a reduction of 50% in the first year lapse rate might be reflected by a dividend increase of \$0.06 to \$0.07 per year per \$1,000 sum insured.

M. C. Pryce, London Life, observed that "the excess net earnings from fixed value investments over low yields on stocks may well offset any moderate long term inflationary trend" and that "any protracted loss of investment income or sharp variations in surplus might well harm the industry's reputation for strength and stability on which its growth has largely depended."

Shepherd's Views

Pearce Shepherd, Prudential, expressed his "belief that it should be possible to invest funds in common stocks of well managed corporations and be assured of a growing income in the future." Mr. Shepherd cautioned however, that in the absence of change in our "practices of fixed valuation standards for reserve liabilities and strict standards for valuation of assets and definite guaranteed withdrawal values . . . it would be dangerous to invest a substantial proportion of a life company's funds in common stocks unless it was cushioned by a substantial margin of safety in terms of surplus or contingency reserves."

W. A. Jenkins, Teacher Insurance referred to the wide variation in the degree to which companies licensed to do business in New York have invested in equities when measured against New York's limitation on such investments.

J. M. Bragg, Life of Georgia; H. V. Lyons, State Mutual; J. W. Moran, New York Life; I. R. Taylor, London Life and H. F. Cerwinski, Prudential, described methods used to underwrite higher than normal maximum amounts of group life insurance under groups of 25 to 50 lives. M. D. Miller, Equitable Society, reported progress of the committee working on the development of a new group life mortality table to be used as a standard for setting group life premium rates.

Costs Up 15% A Year

In the discussion of A&S insurance W. S. Thomas, Metropolitan, reported on the pattern of the continuing increasing claim costs for group medical care coverages. J. R. Williams, Lincoln National, estimated the upward trend in claim costs to be at the rate of 15% per year on comprehensive major medical coverage. M. D. Miller, estimated the increase to be at a somewhat lower level. H. F. Cerwinski, Prudential, explored the merits of a scale of manual rates which would provide for automatic monthly increases in premiums as a means of offsetting the effects of trend.

Mr. Thomas, J. W. Moran, New York Life, and G. P. Archer, American Hospital & Life, cited the need for plan re-design as a method of removing incentives for misuse of hospital facilities and as a method of giving the employer some control of benefits and costs, particularly for comprehensive major medical plans.

P. C. Bassett, Towers, Perrin, Foster & Crosby, reported that his firm had studied claims experience in de-

(CONTINUED ON PAGE 46)

You're confident when
you're well equipped . . .



You're confident when
you're well insured . . .

Zing! goes the reel—taut goes the line—what a thrill when a big one strikes!

There are those who say fishing is all a matter of luck, but we can't agree . . . not entirely. Surely you need skill, good tackle, and an experienced captain to pilot you safely at sea! So it is with insurance . . . an experienced Pan-American representative can steer you wisely along a *charted course* and equip you with confidence to meet *any rough seas* which may lie ahead. Most young men don't view the future as a matter of "luck". They plan . . . and protect their loved ones with adequate insurance.

There's coverage for mortgage payments . . . children's education . . . even retirement plans cost little for men in their early years.

Ask your Pan-American representative about all this.

He's an expert at tailoring coverage to fit your needs, and your budget.

AMONG THE TOP 10% OF U. S. LIFE INSURANCE COMPANIES WRITING MORE THAN 90% OF ALL LIFE INSURANCE



Pan-American Life Insurance Company
New Orleans, U. S. A. • A Mutual Company

BEHIND
THE
NYLIC
AGENT....



*A sales promotion
program that gives him
greater sales potential
and more
receptive prospects!*

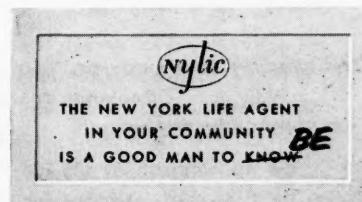
Recent surveys show that New York Life agents secure millions of dollars of business through their use of Nylic's varied and well-planned direct-mail program.

Direct mail is just one phase of Nylic's comprehensive sales promotion program. In addition, the program includes sales leaflets, attractive illustration forms, visual sales tracks, product-information kits, audio-visual aids, agents' manuals,

and policyowner prestige materials, such as award-winning wall calendars. All of these pave the agent's way to successful sales interviews.

This sales promotional activity builds the prestige of the Nylic agent, the products he sells and the Company he represents. And most important, it is helping the Nylic agent increase the amount of insurance he writes—year after year—for more and more people!

*Sales-supporting
promotion is
another reason why...*



New York Life Insurance Company

51 Madison Avenue, New York 10, N. Y.

A MUTUAL COMPANY FOUNDED IN 1845

Life Insurance • Group Insurance • Annuities
Accident & Sickness Insurance • Pension Plans

EDP Computer No End In Itself, IASA Told At Convention

(CONTINUED FROM PAGE 2)

confuses the matter of computer justification with management control, Mr. Orkild stated.

The question of computer operation must be tied to the underwriting profit picture as part of the expense which has to come out of premium income. There is a real danger of isolating computer costs as separate, incidental happenings if evaluations are made by such things as number of accounts, policies, etc. In the final analysis, the important point is the ability of the company to perform as a profit generating institution, he said.

Got Along Without Computers

The insurance industry has gotten along for many years without computers. It can reasonably be assumed that business was processed to at least the begrudging approval of the policyholder. Consequently, Mr. Orkild said, if money is to be spent on computer operations, one of two things must happen: The expenditure must displace some other expense, or the expenditure must add something of value so the policyholder is willing to have this extra amount tacked on to his premium.

Mr. Orkild said there was one more possibility—but if it happened it would lead to all sorts of unpleasantness. That would be to take the money out of underwriting profit.

Applications or systems which best lend themselves to computers are those which generally feature high volume and processing steps that lend themselves to standardization. This implies a situation where there has been a centralization of repetitive tasks. The trend of the insurance market is toward creating this situation to reduce cost by higher levels of mechanization, Mr. Orkild concluded.

Indicating the interest in the field

of group, attendance at these sessions was particularly heavy. Speaking at the opening group session, Kenneth Putnam, Formfit, said that business men want a group program that is tailored specifically for them. They want reasonable, built-in controls, but also a policy that has enough benefits.

Mr. Putnam said the employer wants to be kept informed on new developments, fresh ideas. Rates must be founded on a sound actuarial basis. They must not be unnaturally cut so the business can be had; nor must they be unnaturally high so the dividend looks good.

Too much time is spent convincing the employer of the worth of the group program and not enough time on the consumer himself—the employee, Mr. Putnam asserted. He said brochures put out by most companies are cold, drab, uninteresting and occasionally barely readable. He suggested that companies design brochures with color and imagination so the employee will actually read them.

Mr. Putnam gave some additional suggestions for improving these brochures: Include an historical sketch of the company; put emphasis on new features; accentuate the positive, and develop statistical information using graphs, charts, etc.

Insurers should lean more heavily on a merchandising approach, Mr. Putnam said. Some may think this somehow unsuitable to the insurance business, but they are wrong.

Asked how often he would like to see home office officials call on him, Mr. Putnam said "More frequently. But when they come they should bring in new ideas—such as ways to improve the service, etc."

While there is always some problem of communication between company departments, this situation is

greatly aggravated by the complex nature of EDP, Gustav Forsell, Atlantic companies, told the "Communications Problems In EDP" session.

Mr. Forsell, speaking specifically about pre-installation communications problems, said a company-wide feasibility study is the best way to install a truly integrated electronic program. The feasibility team must make an honest attempt to study all makes of machines and try to achieve an unbiased approach. At least one full year is needed to complete the study; even in those cases where management is already convinced of EDP's worth.

As to whether management actually reads the feasibility team's reports, Mr. Forsell said this was true in his own case—although a constant repetition of the main facts did help to keep management fully cognizant of what was transpiring.

It is important not to over-state the case for EDP, Mr. Forsell stated. When his own company decided to enter the electronic field, the report had unduly stressed the flexibility of the machine. This encouraged management to suggest a good many radical changes—one after another.

Mr. Forsell concluded by saying electronic men should make more of an attempt to be in on management's decision making conferences.

Robert M. Greenig, Mutual Life of New York, discussed communication problems during the installation period of an EDP system. He said people who should be contacted are policyholders, the public in general, top management and staff groups, and various state and national associations.

Mr. Greenig said the best approach to this problem is to invoke several (at least) different ways of telling EDP's story: Letters, seminars, movies, charts and graphs, company publications, press releases and progress re-

ports. EDP men should actively seek out assistance from any public relations men their company may have. Over-selling must be guarded against however.

There is a tendency on the part of the EDP men to forget the rest of the company during the usually lengthy period of time during which the machine is being installed. Open channels of communication should be maintained at all times, Mr. Greenig stated.

While it is difficult to keep all departments advised as to the progress of machine installation, it is possible that each department could have a representative who would act as liaison man.

Mr. Forsell said EDP people are guilty of telling the public what they want it to know, rather than what the public wants to know. The policyholder is not much interested in technical details; he wants to be told how much money EDP will save him.

HIA's Robbins Speaks

Because all forms of insurance are going to be constantly before the eyes of the public, it will be necessary to supply more and more statistical data for use in public information programs. David Robbins, assistant director of statistical research for Health Insurance Assn., told a statistical panel.

Mr. Robbins said the cost of such statistical programs had been examined by HIA and that one basic premise underlies such cost considerations—whatever is produced at the association level, and made available to its member companies, will involve far less in the way of expenditure than would be the case if each of the members had to produce similar information for themselves.

He declared that if such data was developed by persons outside the business, it is conceivable it might not be presented in a manner favorable to the business. He said HIA conducts two periodical statistical programs in support of the public information activity: A monthly benefits survey and a group issues survey.

Mr. Robbins said that by developing and publishing this constant flow of information about the health insurance business, HIA is hopeful that there will be developed a more favorable climate for the business.

The industry's testimony last year on the Forand bill was supported by a statistical index, Mr. Robbins said. "Competent authorities tell us that this data, developed at negligible cost, was instrumental in opening many eyes, both in and out of congress, to the ultimate dangers inherent in the proposed bill," he stated.

Having met in Chicago twice in the past three years, the association moves on to Los Angeles, Toronto and Miami for its next three conventions.

Insurance Society Course Scholarships Available

Scholarships, worth \$300 each, are available for the six-week agents' and brokers' course to begin July 11 at the school of insurance run by the Insurance Society of New York. Applications for the scholarships must be submitted before June 10.

The course, taught by 12 faculty members, includes 10 hours of instruction on life insurance, in addition to covering property and casualty contracts and manuals, bonding, agency management and programming.

Applicants who satisfactorily complete the course are certified to take state examinations for agent's and broker's licenses.

Right Now—get the facts on a NEW APPROACH TO YOUR PROFESSIONAL CAREER

as a General Agent of the Central Standard Life Insurance Company...offering you a new Career Contract with...

Completely Vested Renewals for the premium paying period of the policy
Substantial Override for General Agents

Accident and Sickness Plans — "Your partner for Life"

High Value Low Premium Life Plans
Top First Year Commissions

With Central Standard You Enjoy

- working with an agent-agency building organization
- company sponsored education
- tested-proven direct mail aids
- liberal underwriting

"The secret of success is Constancy to Purpose"

Benjamin Disraeli

Our success has been achieved with our career men and women.

See for yourself—Write or wire today for your "new approach" agent's kit. Get full details by contacting your local Central Standard General Agent or: John M. Laflin, Vice President and Agency Director.

In Force: \$357,405,420

Assets: \$107,284,880

Surplus: \$14,591,874

CENTRAL STANDARD LIFE
Founded 1905 INSURANCE COMPANY
211 W. Wacker Drive Chicago 6, Illinois
Life • Accident • Sickness





sells well

WHAT MAKES THIS trim motor scooter a sure-fire seller? A combination of things. Desirable features. Economy. And an eager market.

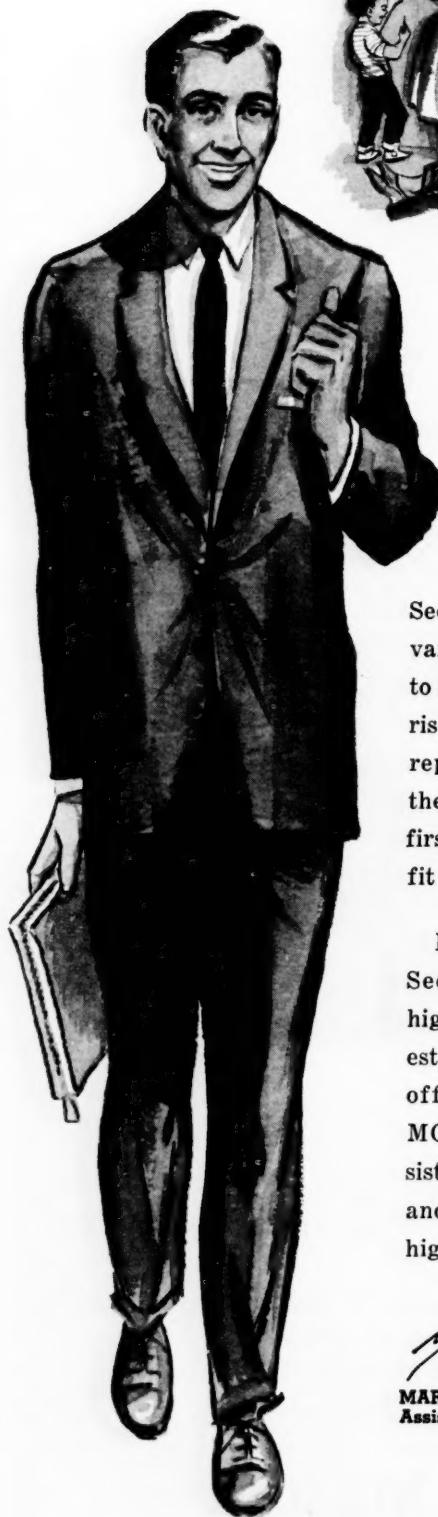
So it is with life insurance. Provident Mutual, along with other leading life insurance companies, studied the possibilities of *guaranteeing* young people the opportunity to add to their life insurance protection as their needs and income grow, regardless of insurability. Result: The Guaranteed Purchase Option—it guarantees the client the right to buy *added* Provident Mutual life insurance on specified future dates at standard rates—as much as \$10,000 more

at each option date, depending on the face amount of the basic policy, without further evidence of insurability.

Like the perky scooter, this type of insurance is ideally suited to young men "on the grow." That's why it sells so well. When a product sells well, the man who sells it does well.

Provident Mutual
Life Insurance Company of Philadelphia

HIGHER COMMISSIONS ARE THE DIFFERENCE



The Security Benefit
Life representative earns more and higher commissions. He enjoys an increase in earnings through the employment of "Individualized Medical Underwriting."

Security Benefit Life's advanced and unique approach to standard and substandard risk appraisal. In many cases representatives have doubled their commissions in the first year with Security Benefit Life.

Licensed in most states, Security Benefit Life is highly rated as a sound and established Company which offers its representatives MORE in Home Office assistance, up-to-date policies and tested sales aids, and higher COMMISSIONS.


MARC F. GOODRICH, CLU
Assistant Vice President

SECURITY BENEFIT LIFE

INSURANCE COMPANY TOPEKA, KANSAS

Founded 1892 • Licensed in most states • Ranked in top 10% of life companies

Conventions

May 19-23, MDRT annual, Hawaiian Village Hotel, Waikiki Beach, Hawaii.
 May 25-27, Life Insurers Conference, annual, Roosevelt Hotel, New Orleans.
 May 30-June 1, American Life Convention, medical section, The Greenbrier, White Sulphur Springs, W. Va.
 May 30-June 3, National Assn. of Insurance Commissioners, annual, Fairmont Hotel, San Francisco.
 June 1-2, Home Office Underwriters Club of the Western States, annual, Del Monte Lodge, Pebble Beach, Cal.
 June 15-18, International Assn. of A&H Underwriters, annual, Conrad Hilton Hotel, Chicago.
 June 22-25, Texas Life Underwriters, Brownsville.
 July 7-9, International Assn. of Insurance Counsel, annual, The Greenbrier, White Sulphur Springs, W. Va.
 July 17-20, Consumer Credit Insurance Assn., The Greenbrier, White Sulphur Springs, W. Va.
 July 21-23, National Assn. of Life Companies, annual, Skirvin Hotel, Oklahoma City.
 July 25-29, National Insurance Assn., annual, Sheraton-Cadillac Hotel, Detroit.
 August 22-24, International Federation of Commercial Travelers Insurance Organizations, annual, Queen Elizabeth Hotel, Montreal, Canada.
 August 24-27, Federation of Insurance Counsel, annual, Bellevue-Stratford Hotel, Philadelphia.
 Sept. 11-16, National Assn. of Life Underwriters, annual, Statler & Mayflower Hotels, Washington, D. C.
 Sept. 18-21, International Claim Assn., annual, Whiteface Inn, Whiteface, N. Y.
 Sept. 21-23, Life Insurance Advertisers Assn., annual, Essex House, New York.
 Sept. 26, Fraternal Actuarial Assn., annual, Queen Elizabeth Hotel, Montreal, Canada.
 Sept. 26-28, National Fraternal Congress, annual, Queen Elizabeth Hotel, Montreal, Canada.
 Sept. 26-28, Life Office Management Assn., annual, Royal York Hotel, Toronto, Ont., Canada.
 Sept. 28-30, Society of Actuaries, annual, Edgewater Beach Hotel, Chicago.
 Oct. 10-11, Conference of Actuaries in Public Practice, annual, Pick-Congress Hotel, Chicago.
 Oct. 10-14, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
 Oct. 27-29, Midwest Management Conference, annual, French Lick, Indiana.
 Nov. 2-4, Institute of Home Office Underwriters, annual, Statler Hotel, Washington, D. C.
 Nov. 14-17, Life Insurance Agency Management Assn., annual, Edgewater Beach Hotel, Chicago.
 Nov. 28-Dec. 2, National Assn. of Insurance Commissioners, regular meeting, Commodore Hotel, New York.
 Dec. 12-13, Assn. of Life Insurance Counsel, annual, Waldorf-Astoria Hotel, New York.
 Dec. 13, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York.
 Dec. 14-15, Life Insurance Assn., Waldorf-Astoria Hotel, New York.
 Dec. 28-30, American Assn. of University Teachers of Insurance, annual, St. Louis.

Treharne, LoTruglio Win N.Y.C. Supervisors Award

William M. Treharne, Mutual of New York, and Joseph LoTruglio, Aetna Life, have been named supervisors of the year by New York City Life Supervisors Assn.

Mr. Treharne was with Prudential for six years before joining Mutual's Myer agency as brokerage supervisor in 1956. He is now director of brokerage sales. Mr. LoTruglio joined Aetna Life in 1936, was with Union Mutual Life for eight years and, in 1959, rejoined Aetna as district manager for A&S and hospitalization sales.

Combination Managers Elect

Columbus (O.) Combination Life Managers Assn. has elected Arthur H. Lindeman, Prudential, president. Frank X. Herb, Metropolitan, is secretary-treasurer.

New England Life's individual life sales during the first quarter were \$235.3 million, a record and gain of 3%, bringing the individual in-force total to \$6,035,000,000.

THINK ABOUT 1970



If you are qualified in Life-and-Accident-and-Sickness Insurance and are ready to step up to the General Agent level . . . THINK WHAT YOU CAN BUILD FOR YOURSELF IN THE NEXT 10 YEARS WITH AN OLD LINE LIFE GENERAL AGENCY.

Old Line Life offers solid advantages to such men . . . modern policy contracts, sales aids, liberal commissions, plus financial assistance and the know-how you need to make your step a rewarding one.

Act now, write for full information. The Old Line Life Insurance Company of America, Milwaukee 1, Wisconsin. Dept. N-5

Forrest D. Guynn, Ex. Vice President
R. J. Kohluss, Director of Sales

openings

IN CALIFORNIA, FLORIDA, ILLINOIS,
INDIANA, IOWA, MICHIGAN, MINNE-
SOTA, OHIO, SOUTH DAKOTA,
WISCONSIN



VARIABLE DOLLAR

counsel and aids on sales training, advertising and merchandising

KALB, VOORHIS & CO.

Members: New York Stock Exchange
American Stock Exchange (Assoc.)
1037 Woodward Bldg., Washington 5, D.C.
REpublic 7-2424



The *Key to Real Home Ownership* is a compelling sales approach to the man who sometimes forgets that his home is his castle only as long as he keeps those mortgage checks rolling into the bank. Field tested for effectiveness by 12 new agents, this presentation helped produce 37 immediate sales from 86 prospects in less than 30 days. Total volume exceeded \$450,000, with an annualized premium of \$8,875. Here, then, is another example of a company's determination to develop maximum earning power within new agents in the shortest possible period of time. Proof of performance is revealed in the brilliant careers of Union Central men and women across the country.



The UNION CENTRAL LIFE Insurance Company • Cincinnati
Security for the American Family since 1867

Changes In The Field

Occidental Of Cal.

E. J. Clement has been appointed assistant manager at Grand Rapids. He joins Occidental after four years with Prudential in Grand Rapids. Prior to that, he was a staff manager for Metropolitan.

D. E. Stanley has been appointed assistant brokerage manager at De-

troit. He has been with Massachusetts Indemnity & Life and prior to that, Connecticut Mutual Life.

Eugene Hindman has been named manager at the recently established branch at Van Nuys. He joined the company in 1953 and was appointed associate general agent in 1957.

G. J. Burdett has been appointed

brokerage manager at the Chicago Madison Street branch. He joins Occidental after two years as an agent with Equitable Society in Chicago.

Connecticut General Life

J. G. O'Brien, formerly with the Boston brokerage agency, has been appointed assistant manager at Baltimore. J. R. Voogd, formerly with the Cleveland brokerage agency, has been named senior brokerage consultant at Baltimore.

Appointed brokerage consultants are

S. E. Butz, Pittsburgh; J. A. Fahnestock and B. W. Hunter, both at Los Angeles; W. A. Guest, Oakland, Calif.; J. C. Mackin, Philadelphia; K. N. Morrison, San Francisco, and J. A. Robertson and R. V. Fox, both at New Orleans.

Appointed assistant managers are Frank Radcliffe Jr. at Pittsburgh and E. S. Stevens at the Chicago brokerage agency.

Connecticut Mutual

J. J. Coursey Jr., supervisor at Denver, has been appointed general agent at Long Beach, Calif., to succeed C. C. Schneider, who has been appointed general agent at Cleveland, to replace the late H. K. Kail. Mr. Schneider is past president of Long Beach Life Underwriters Assn.

Prudential

R. E. Leppert, former district staff manager at Youngstown, O., has been promoted to district manager at Lorain to succeed K. D. Seiter, who has been transferred to Steubenville.

In Philadelphia, E. P. Nonnamaker, district staff manager of the Juanita Park district, has been named manager of the Tioga district to succeed F. J. McKeghney, who has been transferred in the same capacity to the Upper Darby district.

T. J. Lynam has been appointed associate manager in the LaSalle agency at Chicago. R. J. Murphy is manager.

Life & Casualty

Robert Reece, Nashville district manager, has been appointed vice-president and manager of the Mississippi Valley division. He is past president of Nashville Life Underwriters Assn. and of Nashville General Agents & Managers Assn.

Old Republic Life

Old Republic Life has appointed Kent Service Corp. general agent in Grand Rapids, Mich. The agency is headed by E. R. De Young, vice-president of Kent. He is currently president of Grand Rapids Assn. of Life Underwriters and a director of the state association. He is also treasurer of Michigan State Life Insurance Counselors.

Jefferson National

New general agents are George Wesley at Pompano Beach, Fla., G. P. Green at Bradenton, Fla., and C. M. Ewing at Florence, Ky.

Lincoln National Life

E. A. Huddleston, Hallenberg agency, Louisville, and E. S. White Jr. Schuller agency, El Paso, have been named supervisors. Mr. Huddleston was with National Life of Vermont until joining the company early this year. Mr. White has been with John Hancock for the past four years.

The Martin-Tuttle agency at Miami will henceforth be known as George W. Martin Jr. & Associates.

C. M. Scully, general agent at New Orleans for 10 years, has been named general agent at Baton Rouge. The new agency, under his name, will be located in the Fidelity National Bank Building. He has held virtually every office in New Orleans Assn. of Life Underwriters, as well as in the state association.

C. W. Wood, manager at Los Angeles for Mutual of New York since 1950, has joined Lincoln Life as general agent at San Gabriel. The agency, known as Carl W. Wood & Associates, is located at 222 West Las Tunas

(CONTINUED ON PAGE 22)

"Looks like Republic National Life has scored another FIRST, Charlie."

Republic National Life Now Offers

AGENTS — GENERAL AGENTS — BROKERS

\$30,000.00
NON MEDICAL LIMITS

After pioneering and testing \$25,000.00 Non-Medical Limits for seven years R.N.L. is further increasing its sound program of liberal underwriting.



"You don't know what you're getting into."
"I bet we'll be posting additional insurance..."

I bet we'll be posting

THREE BILLION

Life Insurance in force in RECORD TIME."

REPUBLIC NATIONAL LIFE Insurance Company DALLAS, TEXAS

LIFE • ACCIDENT • SICKNESS • MEDICAL AND SURGICAL REIMBURSEMENT • HOSPITALIZATION GROUP • PENSION • FRANCHISE • BROKERAGE • COMPLETE REINSURANCE FACILITIES

A. Fahnebooth at Los Angeles, Calif.
K. N. Morris at New York
J. A. Roth at New York
Managers are Pittsburgh
Chicago branch

Supervisor at
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Kail. Mr.
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Health Insurance... The American Way

Americans have always enjoyed a freedom of choice. They like to make their own decisions on the things they buy, whether it's a new car, the clothes they wear or health insurance for themselves and their families.

This explains why an ever-growing number of American families are purchasing voluntary plans of health insurance protection. They realize that only through a voluntary health insurance program do they have a freedom of choice in selecting the coverage they want.

As a leader in the development of modern plans of health insurance to meet the growing needs of the American people, Mutual of Omaha has followed its basic philosophy of providing insurance for people of all ages. Typical of this philosophy is the current Senior Security Enrollment for men and women 65 and over. Senior Security is but one example of Mutual of Omaha's never-ending program of developing better and broader coverages for individuals, families, groups and associations.

Mutual of Omaha salutes the Health Insurance Association of America for the outstanding work it is doing in promoting the development of voluntary health insurance the American Way.



MUTUAL BENEFIT HEALTH & ACCIDENT ASSOCIATION

V. J. SKUTT, President

Home Office • Omaha, Nebraska

Avenue. A CLU, he is a past president of Oregon Life Underwriters Assn.

C. W. Ziegler III has been appointed general agent in New Orleans. The agency, known as Charles W. Ziegler & Associates, is located in the 2025 Canal Street Building.

I. J. Abramowitz has been appointed to a supervisory post in the O'Connor agency at Baltimore. He has been with the agency since 1949, when it was operated by Reliance Life. He is a CLU and life member of

the Million Dollar Round Table. N. C. Oberholtzer Jr. has been named to a supervisory post at Tyler, Tex. He has been an agent for the company there since 1950.

Bankers National Life

Thomas Downs has been appointed regional director of agencies for Kansas, Nebraska, Missouri and Iowa, with headquarters at Kansas City. Mr. Downs, a member of Million Dollar Round Table, has been with Central Life of Des Moines.

P. N. Marcotte, regional director of agencies for Florida, has been transferred to Los Angeles, where he will direct agency operations in southern California and Los Angeles.

The Florida regional office has been moved from Sarasota to Ft. Lauderdale and D. E. Killoren, former general agent at Ft. Lauderdale, has been named to succeed Mr. Marcotte.

Columbian National Life

W. C. Raitt has been appointed regional director of sales for the north-

west with headquarters at Minneapolis. He has been life department manager for Marsh & McLennan St. Paul.

Western Life, Helena

O. P. Ostrom Jr. has been appointed agencies superintendent of Minneapolis and southern Minnesota at Minneapolis.

GOVERNMENT PERSONNEL MUTUAL has appointed J. P. Marsh general agent at Brunswick, Ga., for southern Georgia and northern Florida. T. S. Adams becomes general agent at Anchorage for Alaska.

SUNSET LIFE of Washington—Patrick Clements has been named agencies supervisor for southern California at Los Angeles.

AMERICAN HOSPITAL & LIFE
H. E. Wier has been appointed general agent at Fort Worth.

Salesman's New Status Enumerated By Stone Before Peoria A&S Men

The American salesman—formerly the butt of farmer's daughter jokes—has risen to an esteemed status today. W. Clement Stone, president Combined of America, stated at a meeting of Peoria A&H Assn.

The salesman is now one of the important persons in the economy and he has achieved this position partly through the application of self-motivation's principles, Mr. Stone said. Without the aggressiveness and sound business judgment of salesmen, the present high level of national prosperity and productive capabilities would have been impossible.

Mr. Stone said action by salesmen in all fields was responsible for selling or lifting us out of a recession in 1958. It has become more important than ever for the U.S. to keep its productive capabilities at the highest possible efficiency and to help other nations attain higher economic and industrial levels, he said. With American business now extending its operations to a world-wide basis, salesmen also are taking on the new role of implementing foreign policy through personal activities abroad.

Holmes Will Win Again

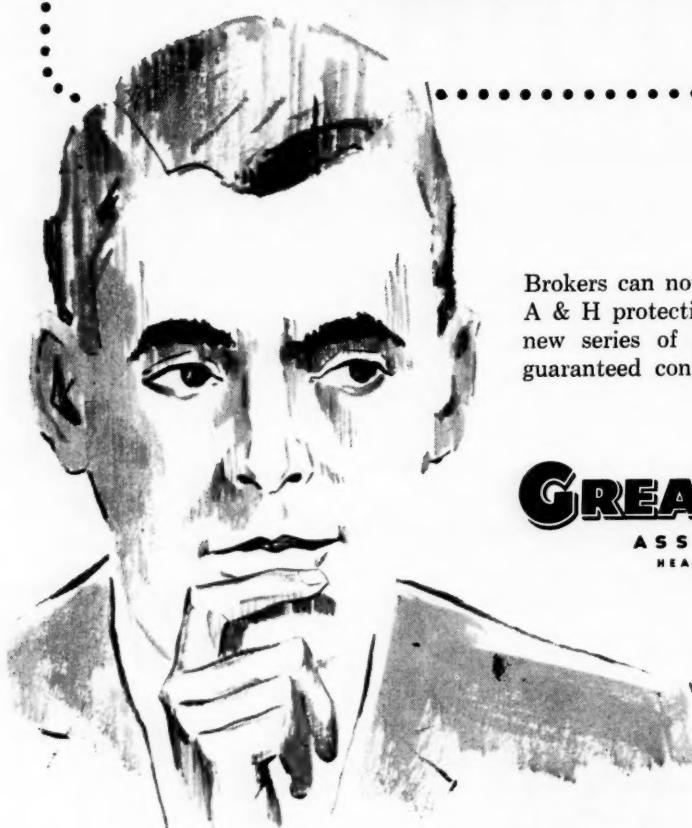
John J. Holmes, Montana state auditor and insurance commissioner, is uncontested for reelection to office in November. Mr. Holmes has been Montana commissioner since 1932. He is now the dean of all Montana politicians, having been in elective office longer than anyone else. He and Commissioner William Sullivan of Washington are the deans among insurance commissioners in the U. S., both having assumed office in the first Roosevelt landslide.

Pacific Mutual In Santa Ana

Pacific Mutual Life has opened a mortgage loan office at 136 West Washington Avenue in Santa Ana, Cal. William Thornburgh, with the company since 1955 and most recently loan supervisor in Pacific Mutual's Los Angeles district mortgage office, will manage the new office.

Miss Mercedes Tully, bookkeeper and cashier of Life Insurance Assn., has retired after 32 years with the association. She has been in charge of LIA's accounting during a large part of that period.

BROKERS! THINKING OF A&H? THEN THINK OF US



Brokers can now fully satisfy their clients' needs for A & H protection through Great-West's three great new series of plans featuring non-cancellable and guaranteed continuable contracts.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE - WINNIPEG, CANADA

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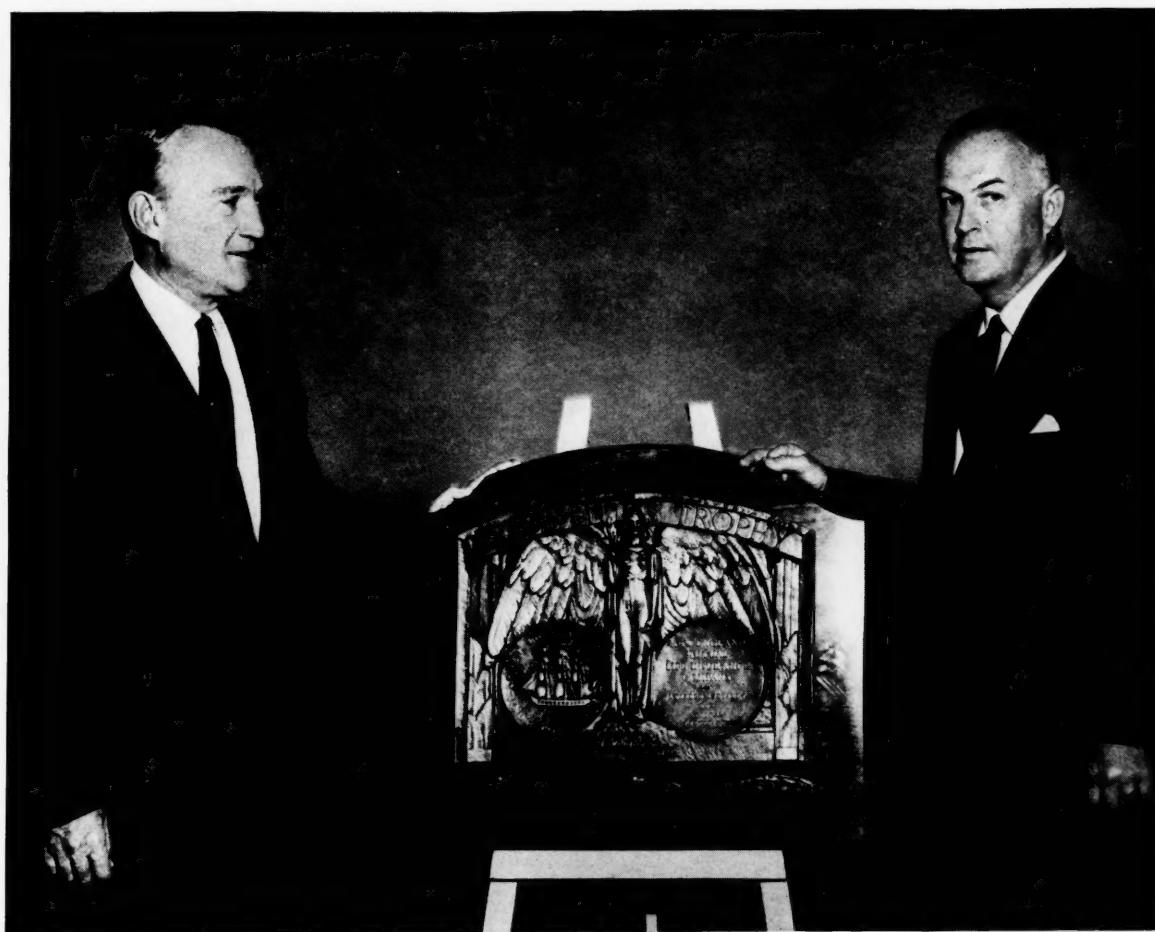
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Bruce Bare receives the President's Trophy for 1959 from O. Kelley Anderson, president of New England Life.

For the third time . . . Bruce Bare Agency wins our President's Trophy

(An achievement without precedent at New England Life)

Many of New England Life's 91 general agencies are outstanding service organizations in their communities. It is especially impressive that one agency has merited this award on three separate occasions and has been a runner-up a number of times.

What are the criteria New England Life uses for awarding its President's Trophy to an agency? Perhaps "general excellence" comes closest to describing the basis for selection. Accomplishment in these key areas of agency management counts particularly: new business written (nearly three million of ordinary a month throughout 1959); development of

manpower; sustained agency building; service to policyholders as reflected in the net gain of insurance in force.

Congratulations to Bruce and his entire organization for a fine team record.

NEW ENGLAND
Mutual **LIFE** Insurance Company
BOSTON, MASSACHUSETTS
THE COMPANY THAT FOUNDED MUTUAL
LIFE INSURANCE IN AMERICA • 1835
125th Anniversary of Our Charter

Protest Treasury Move On Pension Plans

(CONTINUED FROM PAGE 1)

law. Anything about H.R. 10 was rigidly excluded from consideration, despite pleas by Assn. of Advanced Life Underwriters that both matters be considered together.

One of the Treasury's main grounds for wanting a change is its contention that owner-managers of corporations that have no employees or relatively few earning modest salaries

now can provide themselves with substantial pensions under qualified plans without incurring any considerable extra costs to pay for comparable pension benefits for others in the company.

The Treasury contends that under such conditions the contributions under the plan may benefit only or mainly the owner of an enterprise, and "the tax avoidance possibilities in this

type of situation can be substantial," said Mr. Lindsay in his testimony.

Attempting to deal with this problem, the Internal Revenue Service in 1944 ruled that a pension or profit-sharing plan shall not generally be considered to be for the benefit of shareholders if contributions required to provide benefits for employees, each of whom owns directly or indirectly more than 10% of the voting stock of

the corporation, do not exceed in the aggregate 30% of the contributions by all participants under the plan. Stock owned by a spouse or lineal descendant would be considered as owned by the employee.

However, this 30% rule was held invalid by the tax court in the Volking case, since there was no specific statutory authority for the rule. The 1954 revenue code would have restored, in modified form, the 30% rule "but in view of the very fundamental changes involved in the House bill, the recommendation of the Treasury Department, your committee decided to postpone them pending further study."

Mr. Lindsay said also that in order to provide equal tax treatment it is necessary to apply the same limitations to pension contributions on behalf of owners-managers of corporations and self-employed people.

Sees 'Troublesome Problem' Uncertain

"Unless there is such equal treatment of both groups," he said, "there will be a continuation of the very troublesome problem that now results from attempts on the part of partners to be treated as corporations in order to secure pension advantages. The result would be to grant owners different tax treatment with regard to retirement savings depending upon the form of doing business."

The Treasury wants the changes put into effect immediately as respects pension plans covering self-employed individuals and corporate owner-managers that are established after the effective date of the legislation, but it would allow a two-year grace period for plans in existence before the effective date of the change. This would also permit—if found necessary—further extension of the grace period and in the meantime focus adequate continuous attention on the problem to insure finding the soundest solution said Mr. Lindsay.

"We do not believe," he said, "that the legislation that does nothing more than grant benefits to the self-employed is justified at this time in terms of either competing priorities for tax relief or sound budgetary requirements. Legislation may be justified notwithstanding loss in revenue, if it accomplishes needed reforms and points the way to equalization in the pension area on a sound basis."

The Treasury's position is that where a pension plan does not provide all covered employees with vested rights, any forfeitable contribution made on behalf of employees should not be permitted to accrue eventually to the self-employed person establishing the plan. Instead, as under present income tax regulations relating to pension plans, any forfeitures resulting under the pension plan should be used to reduce the employer's contributions and should not be used to increase benefits for the remaining participants according to the Treasury.

Vesting On Termination

"To reduce the amounts reverting to an employer on termination of a pension plan, all employees covered at the time of termination should be given vested rights to benefits, as under present administrative rules," said Mr. Lindsay.

"Under the statute, employers may establish pension plans geared to social security benefits, and in so doing take credit for social security benefits relating to the first \$4,800 of salaries. However, we take the position that if only the owner of the business

(CONTINUED ON PAGE 26)

WESTERN UNION

DIVIDENDS and INTEREST
RATES INCREASED

POLICYHOLDERS TO RECEIVE ADDITIONAL
\$1,100,000 EFFECTIVE JULY 1, 1960. MAJOR DIVIDEND INCREASES AT AGES ABOVE 35. INTEREST PAYABLE ON SETTLEMENT OPTIONS AND DIVIDEND ACCUMULATIONS RAISED TO 3.5%. PREMIUM DEPOSIT FUND INTEREST UPDED TO 3.25%.

WESTERN UNION

RETIREMENT INCOME
RATES REDUCED

GROSS PREMIUMS ON ALL RETIREMENT INCOME PLANS SUBSTANTIALLY REDUCED. LOWER GROSS PLUS ADJUSTED DIVIDEND SCALE PRODUCES IMPROVED NET COST PICTURE. PROTECTION PROVIDED ON REGULAR RETIREMENT INCOMES THRU \$1,250 PER \$10 MONTHLY INCOME (125 MONTHS CERTAIN).

WESTERN UNION

TERM RATES CUT

ACROSS THE BOARD COST REDUCTIONS ON 5, 10, 20 YEAR TERM, AND TERM-TO-65 NOW EFFECTIVE. SUBSTANTIAL CUTS AT AGES OVER 25. CONVERSION PRIVILEGES GUARANTEED ALL PLANS; 10 AND 20 YEAR TERM, GUARANTEED RENEWABLE. SUBSTANDARD RISKS ISSUED UP TO 250% MORTALITY.

PHOENIX MUTUAL

LIFE INSURANCE COMPANY OF HARTFORD, CONN.



**new LOWER RATES
make
Massachusetts Mutual
SINGLE PREMIUM
ANNUITIES
a best buy**

We invite you to compare our rates
with those of any other company

LIFE ANNUITIES

Single Premium per \$100 Monthly Income

		Age 55	Age 60	Age 65	Age 70	Age 75
INSTALLMENT	Male	\$19,979	\$18,111	\$16,216	\$14,364	\$12,666
REFUND	Female	\$21,616	\$19,638	\$17,604	\$15,663	\$13,790
10 YEARS	Male	\$19,065	\$17,120	\$15,245	\$13,621	\$12,390
CERTAIN	Female	\$21,043	\$18,920	\$16,764	\$14,843	\$13,211
NO	Male	\$18,644	\$16,443	\$14,162	\$11,930	\$ 9,905
REFUND	Female	\$20,878	\$18,632	\$16,239	\$13,914	\$11,624

For rates at other ages and Joint Life and Survivor rates,
call our nearest General Agent

MASSACHUSETTS MUTUAL Life Insurance Company

SPRINGFIELD, MASSACHUSETTS • ORGANIZED 1851

is covered by the private contributions and all or almost all employees are in reality deprived of benefits under the plan because they earn \$4,800 or less or small amounts in excess of \$4,800, the plan is inherently discriminatory.

Wants Integration Limited

"Accordingly, we recommend that the pension plan should not take credit for social security benefits if the total amount of contributions for self-employed persons and corporate owners-managers exceeds one-half of the

total annual deductible contributions vested in all employees who are neither owners nor close relatives of the owner. Further recommendations pertaining to the integration of pension plans with social security are suggested in our letter of April 1, 1960, for future consideration."

Mr. Lindsay noted that the April 1 letter did not suggest that covered employees be granted vested rights where the contributions under the plan for owners do not exceed the basic 10%-\$2,500 limitation, since if vesting were required for all plans subject to this

limitation it is possible that some hardships might arise.

"It may be possible," he said, "that where there are several owners of a business, contributions made on their behalf could be made truly forfeitable. By and large, however, where there is a single owner of a business, whether or not the business is incorporated, amounts set aside on behalf of the owner are as a practical matter vested."

"It would seem, therefore, that contributions on behalf of such an employer's employees should be similarly

vested if we are to keep faith with the requirement that the plan is not to be discriminatory and that the employees just receive benefits comparable to those accorded the owner. From the point of view of administration, the simplest rule is one which would require vesting, at least in the area where the owner of the business, by reason of his controlling position, has in substance vested rights under the plan."

Special Profit-Sharing Problems

Mr. Lindsay said that while profit-sharing plans are often lumped with pension plans, there are a number of problems with profit-sharing plans that call for special attention. Particularly where a business owner or self-employed person has few or no employees, profit-sharing plans may in operation be highly discriminatory in favor of the owner because of the timing of contributions and the fact that forfeitures increase benefits to remaining employees, Mr. Lindsay said. In such situations, "without substantial employees," profit-sharing is more in the nature of a tax-saving device, since the owners are in any event entitled to all the profits of the enterprise, he remarked.

"Even with respect to larger plans where the bulk of the benefits go to the employees, future consideration should be given to restoring the rule that a qualified profit-sharing plan must set forth a definite formula for determining the profits of the employer to be shared and for distributing such profits among his employees or their beneficiaries," said Mr. Lindsay.

The April 1 letter suggested that contributions on behalf of each self-employed individual or owner-manager of a corporation could be as much as the largest annual deductible contribution vested in any employee who is neither an owner nor a close relative.

Now Against Recommendation

"On further examination, this recommendation appears troublesome and we recommend against its adoption," said Mr. Lindsay.

Stating the ALC-LIA stand on the Treasury proposals, Mr. Arends said: "It is our position that the opening of the qualified pension system to the self-employed should be considered on its own merits and should not be made the vehicle for a hurried reconsideration and overhauling of the complex laws as they have applied for many years to corporation plans and under which a multitude of small company plans have been established.

"If there are defects in the existing laws governing qualified pension plans, they should be considered at another time after opportunity for more complete study and more comprehensive legislative considerations . . . In the past, the system of administering the law governing qualified pension plans along broad regulatory lines has worked reasonably well. Substitution of a single test establishing an arbitrary limit, as proposed by the Treasury, should receive much more detailed and careful consideration. If such a study is to be made, we would be happy to cooperate with the Treasury and the staff of the joint committee in such an undertaking."

Mr. Arends pointed out that in large corporations the number of executives or owner-managers is quite small in relation to the total number of employees. Similarly, the salaries of such executives, though individually quite large, are small in relation to

(CONTINUED ON PAGE 28)

The story behind LUTHERAN BROTHERHOOD Life Insurance

What are its aims? What has it accomplished? What has its growth been?

Lutheran Brotherhood was organized as a life insurance society to benefit Lutherans. When Lutheran church leaders incorporated the Society in 1917, they wrote into their charter this passage: "...to furnish protection to its members, their dependents and beneficiaries, through the payment of benefits in case of death or disability."

Since 1917, Lutheran Brotherhood has had an astounding growth. Today the Society has more than a billion dollars of insurance in force. In 1959 sales were 220 million dollars. In size, Lutheran Brotherhood is among the upper 10% of all life insurance companies in the country. It operates in 40 states and five Canadian provinces, offering all types of life insurance and retirement plans to all Lutherans, regardless of synod.

Church loans play an important part in the story behind Lutheran Brotherhood. The Society set a precedent among insurance organizations about 1930 by granting loans to Lutheran churches. At present, the Society has some 750 church loans totaling more than \$25 million to congregations of 12 synods in 29 states and 5 Canadian provinces.

In 1959 Lutheran Brotherhood contributed \$450,000 to benevolences. The contributions supported such things as: Student scholarships, faculty fellowships, Boy Scouts, local branches, fine arts program, Lutheran Center, Sunday School teaching aids, films, The BOND, Martin Luther Library, institutes, lecture series by leading scholars and other timely projects.

Lutheran Brotherhood's 42 years have been enriched by many outstanding people and events. Prominent Lutherans — ministers, educators, state officers, businessmen — have served on its Board.

In 1956, Lutheran Brotherhood erected their new 2½ million dollar building — a modern steel and glass structure — a beautiful and important addition to Upper Midwest architecture.

Numerous Lutheran groups — local, district, regional and national — are using the Lutheran Center for meetings and other gatherings. These facilities include a 266-seat auditorium, a beautiful lounge overlooking the terraced garden, a dining room and the Martin Luther Library. All Lutherans are cordially invited to share these facilities provided for them in the home of Lutheran Brotherhood.

LUTHERAN BROTHERHOOD Life Insurance

A Legal Reserve Life Insurance Society • 701 Second Avenue South • Minneapolis, Minn.



free Full-color

reproduction of Martin Luther

window (18" x 24"), suitable

for framing and display in
home or classroom.

Write Lutheran Brotherhood.

THE MAC ARTHUR INSURANCE GROUP

CONSOLIDATED FINANCIAL STATEMENT JANUARY 1, 1960

ASSETS

Cash and United States Government Bonds	\$ 32,340,108.77
Other Bonds	33,628,363.74
Stocks	25,948,556.72
Real Estate Owned	31,563,012.28
Mortgage Loans	37,534,406.24
Loans to Policyholders	23,717,995.47
Premiums in Course of Collection and Other Assets	12,238,285.36
Interest Due and Accrued	1,293,955.18
Total Admitted Assets	\$ 198,264,683.76

LIABILITIES

Policy Reserves, Life Insurance	\$ 78,408,146.42
Policy Reserves, Other than Life Insurance	20,989,390.69
Reserves for Claims in Process or Unreported	25,262,161.09
Premiums Paid in Advance	13,297,093.48
All Other Liabilities	16,316,384.66
Equity of Minority Interests in Affiliated Companies	797,747.60
Equity of Policyholders in Affiliated Companies	804,318.55
Reserve for Market Fluctuations	\$ 559,107.12
Reserve for Other Fluctuations	25,000,000.00
Paid up Capital	3,500,000.00
Unassigned Surplus	13,330,334.15
	42,389,441.27
Total Liabilities	\$ 198,264,683.76
Earned Premiums	\$ 179,590,509.64
Life Insurance In Force	\$ 1,037,746,446.00

Mac Arthur
INSURANCE GROUP



MEMBER COMPANIES

Bankers Life and Casualty Company	Chicago, Illinois
Certified Life Insurance Company of California	Los Angeles, California
Constitution Life Insurance Company	Chicago, Illinois
Dubuque Fire and Marine Insurance Company	Dubuque, Iowa
Gotham Life Insurance Company	New York, New York
Jefferson Life and Casualty Company	Birmingham, Alabama
Life Insurance Corporation of America	Salt Lake City, Utah
Manhattan Casualty Company	New York, New York
Marquette Life Insurance Company	Chicago, Illinois
Protection Mutual Insurance Company of Pennsylvania	Philadelphia, Pennsylvania
Southeast Title and Insurance Company	Lake Park, Florida
State Insurance Company of Kentucky	Louisville, Kentucky
State Insurance Company of Tennessee	Nashville, Tennessee

NATIONAL HEADQUARTERS

4444 LAWRENCE AVE. • CHICAGO 30, ILL.

the total compensation paid to all employees. But in small corporations it is often the case that the major part of the operation is conducted by the owner-managers, with the assistance of a few other employees.

"The equity of the limitation proposed by the Treasury disappears when it is seen that in applying the limitation to the small corporation, even a generous pension plan for the other employees will not be sufficient to provide pensions for the stockholder-officers anything like those available to employees of larger corporations with

comparable salaries, or sufficient to provide a reasonable pension for such company officers when they retire," Mr. Arends declared.

Toucuing on the 30% rule mentioned by Mr. Lindsay, which was rejected by the tax court, Mr. Arends pointed out that that rule and the one proposed for inclusion in the 1954 code were to be applied to total contributions to the plan, and not limited to contributions vested in the employees.

"It should be noted, of course, that under existing Treasury regulations

and the code itself, any contribution by the employer is made irrevocable and vested in the plan," he said. "It may not be recovered by the employer. The Treasury would inject a new element by making mandatory for its proposed test the vesting of employer-contributed amounts in the individual employees."

Vesting Is Encouraged

Life insurance and annuities in pension plans by their very nature encourage vesting, said Mr. Arends. Conceding there are arguments in favor

of vesting after a reasonable waiting period, he pointed out that the fact must be faced that immediate or early vesting greatly increases the cost of pension plans and limits the ability of the small employer, in particular, to provide adequate pension coverage for those faithful employees who remain with him to retirement age.

"The requirement for immediate or early vesting in order to permit specific contributions is unworkable under certain forms of pension coverage," he said. "For example, under deposit administration plans, no specific amounts of employer contributions are assigned to specific individuals before retirement. Indeed, under most non-insured plans no specific assignment is actually made even at retirement.

Based Only On Averages

"The funding methods employed may involve actuarial assumptions as to mortality, future salaries, withdrawal rates, and retirement rates in terms of expected *average* results and thus make it impossible to ascribe a particular dollar amount to each individual employee. Consequently, the rule proposed by the Treasury cannot be applied to many of the existing pension plans and would preclude the use of these two much-utilized funding methods for new plans."

Moreover, the Treasury rule would discriminate against a popular form of group annuity contract, said Mr. Arends. Under such a plan, the employer buys for each employee a fixed amount of annuity each year. This becomes payable on retirement. The purchase price of this fixed annuity increases as the employee grows older. Thus, when the owner-managers are older than the other employees their contributions are relatively higher per unit of benefit than the contributions in behalf of the other employees.

It follows that the Treasury rule, which applies on a year-to-year basis rather than on a cumulative basis, would, when applied to a deferred group annuity plan, be more restrictive upon the owner-manager than when applied to a plan providing for the payment of level contributions, said Mr. Arends. The effect of the rule would be to discourage employers from adopting the deferred group annuity contract, though it is one of the most popular methods of funding insured pension plans.

As to the Treasury's concern over possible discrimination in favor of owner-managers who eliminate from pension plan coverage those employees earning not more than \$4,800 annually, "it seems to us that the Internal Revenue Service has sufficient authority under existing law and regulations to prevent such discrimination in qualified plans, regardless of the size or the type of business entity adopted by the employer," said Mr. Arends. This makes the Treasury's current suggestion unnecessary "and would only add further complexity to an already involved facet of the pension field."

Unjust To Present Plans

The Treasury's proposed restrictions should not in any event be applied to plans already qualified under existing law, Mr. Arends declared, for a pension plan is necessarily a long-term arrangement relied upon by all covered employees for their future financial security and in setting up the plan employers have relied upon the law as it then existed.

The inevitable effect of the enactment of the Treasury's April 1 pro-

(CONTINUED ON PAGE 30)

Are you like John?

One day late in 1958 a Midland Mutual General Agent called the home office. "I've got a man for you," he said. "His name is John Hubbell, and he has what it takes to be a fine general agent—ambition, experience and enthusiasm."

We talked to John. Everyone in the home office liked him immediately. He had the qualifications, so we offered him a contract. Did he accept?

"You bet I did," says John today. "The people at Midland showed me that they understand the importance of close, personal cooperation between home office and field force.

They offered me the opportunity to start building my own business, backed by the kind of support a new general agent needs. What's more, Midland gave me a liberal contract with generous allowances for operating expenses and development."

If you're like John Hubbell, you're ready for your own agency. You may be stymied in your present position, waiting for the right

opportunity to come along. You're looking for a company with all the advantages: quality products, financial strength, and outstanding home office support. In short, you're looking for Midland Mutual.

Write Charles E. Sherer, CLU, Vice President and Director of Agencies, The Midland Mutual Life Insurance Company, 256 East Broad Street, Columbus, Ohio.

**THE
MIDLAND MUTUAL
LIFE INSURANCE COMPANY**

Midland Mutual has immediate agency openings in Tampa-St. Petersburg; Charlotte, North Carolina; Baltimore; Louisville; Memphis. Opportunities also available in other areas.



Union officials, Anthony Polito, Secy.-Treas. (seated), Joseph Costanza, Business Agent (left), Oscar Cocchiara, President (center) with Sebastian Chiappone, Nationwide agent (right). Union is Journeymen Barbers, Hairdressers, Cosmetologists and Proprietors' International Union of America Local 246.

"Nationwide is tops with us!"

Anthony Polito, Secretary-Treasurer of the above local, doesn't mince words in praising Nationwide. Over 450 members of this local are covered by a Nationwide Group Life and Weekly Income Benefit program. No worry about claims—Nationwide settles them *promptly*. No worry about service—Nationwide Group experts are available on a *local* basis. No worry about coverage—Nationwide

tailors plans for your specific needs.

Nationwide Group Plans cost less, offer you more. Whether you're an employee representative, or an employer...or a broker in search of a low-cost, up-to-date plan for a client—there's a Nationwide Group coverage to suit *your* needs.

For details, write: Nationwide Group Operations, 246 North High Street, Columbus 16, Ohio.



Nationwide Life Ins. Co./Nationwide Mutual Ins. Co./home office: Columbus, O.

HOW MUCH IS A LOT?

That depends on you! It depends on how much money you want to make—and whether you can instill in others your spirit of accomplishment and "know how". So, ask yourself:

Can I show others how to prospect—to get leads from their own efforts, ability and imagination and not depend on the home office or their supervisor?

Can I inspire others to tell a convincing story—and do better with a proven competitive merchandising plan, featuring dismemberment—lifetime income—top value income settlement option—and the premium payment plans of the future, Check-O-Matic and Aut-O-Check?

Can I inspire others to enjoy competition—and more important, to compete with themselves?

Can I instill in others the desire to earn—more money by making the most of their abilities?

If you can give affirmative answers to those questions, then there's *no limit* to "How Much Is A Lot" when you have an Ohio State Life Contract which offers:

Highest lifetime service fee in the business to adequately compensate the career underwriter—fully vested renewals for 9 years—top 1st year commission on par and non-par policies—agency office allowance—non-contributory pension plan—operating capital for new agents.

THE OHIO STATE LIFE
Insurance Company
COLUMBUS 15, OHIO

GENERAL AGENT OPPORTUNITIES
Write, Wire, Phone
FREDERICK R. JONES, President
EDWARD W. KRAFT, Vice President
and Director of Agencies

but also between individual corporations in that class, Mr. Schneider observed.

Under such circumstances it is obvious that no pension plan would be set up, or if already in existence it would not long be maintained, said Mr. Schneider. Instead, the owner-managers might be expected to eventually sell the business and retire on the capital gain realized from the sale—but there would unfortunately be no pensions for their rank-and-file employees.

Favors Split Participation

Objecting to the Treasury proposal that owner-managers not be permitted to increase the amounts contributed on their behalf to qualified pension plans by splitting their activities into several businesses, each with a different pension plan, Mr. Schneider said, "We see no reason why an individual who is an owner-manager of several corporations, who contributes to their success and who draws a salary from each should be prohibited from participating in their respective pension plans.

As to the Treasury's proposed vesting requirement aimed at making sure that funds ostensibly contributed on behalf of employees "will not as a result of forfeitures eventually accrue to the individuals establishing the plan," Mr. Schneider expressed the belief that the decisions on vesting should be left to the employer and employee, for "to make such vesting a mandatory requirement in the case of pension plans set up by owner-managed corporations would discriminate against such corporations."

The proposed denial of the integration privilege drew from Mr. Schneider the objection that to subject small corporations to further restrictions than those now available to the Treasury would have a marked deterrent effect on the setting up of pension plans by many corporations.

New Johnson City, Tenn., GAMC Unit Names Officers

A local association of General Agents & Managers Conference of NALU has been formed at Johnson City, Tenn., with the following officers:

F. L. Williams, Life of Georgia, president; Virgil D. Cross, Equitable Society, vice-president; Charles L. Johnson, Standard Life of the South, secretary-treasurer, and Stanford Potter, Metropolitan Life, national representative.

Elected directors were Harry L. Ausmus, Home Beneficial Life; John W. Brock, Independent Life; H. F. Giles, Prudential; Harry McKensie, Interstate Life & Accident, and J. C. Clemmer, American National Life.

No. American L.&C. Near Billion After Good Quarter

Life insurance in force of North American L.&C. zeroed in on the billion dollar mark, reaching \$953,000,000 at the end of the first quarter, President H. P. Skoglund told stockholders at their annual meeting. Premium and investment revenue amounted to \$4,903,974, an increase of 11.8%.

April Big Month For Northwestern

Northwestern Life's president's cup campaign during April produced a total volume exceeding \$3 million, 437 life applications and 223 A&S applications. As a result of the campaign, April was the largest month in the company's history and production was 50% ahead of any previous year.

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Here are four *Ætna* Life plans offering *all your policyholders* and *all your prospects* just the protection they need and want. Top quality, flexible coverage, wide range of benefits at competitive prices.

1 PAID-UP AT 65 Hospital and Surgical Plan.*

Maximum of 365 days of hospital coverage for one illness.

Offer your clients and prospects hospital and surgical protection, Guaranteed Renewable for life, with no premium payments required on covered persons after 65. Broaden your market with "look-ahead" families who want a generous benefit scale for hospital confinement and miscellaneous expenses, surgical fees, emergency treatment and maternity. Dependents who marry, or reach the age of 22, have the right to convert to their own individual, Guaranteed Renewable policies.

2 SENIOR CITIZENS Hospital and Surgical Plan.*

30 or 60 days of coverage for each illness.

This Guaranteed Renewable plan is designed specifically for men and women aged 60 and over (no age limit), and as a *conversion* policy from family policies. Here is a brand new, important market which rounds out your sales portfolio by offering clients the coverage they need—on a lifetime basis. Conversion right for dependents.

3 HOSPITAL AND SURGICAL PLAN.

*Guaranteed Renewable for Life.**

Maximum of 365 days of coverage for each illness.

This *Ætna* Life plan lets you offer clients hospital and surgical protection for individuals and every eligible family member. Guaranteed Renewable for life with reduced benefits at 65. Flexible benefits include hospital confinement, surgical fees, miscellaneous hospital expense, emergency treatment and maternity. Conversion right for dependents.

4 NON-CANCELABLE GUARANTEED RENEWABLE Accident and Sickness Income Protection Plan.**

The perfect way to round out the insurance service you give your clients. Written on an age-at-issue basis from 18 through 59, renewable to 65. Coverage maintained to the usual retirement age of 65 at original rate. Features allow client to select amount of death, dismemberment and monthly indemnity coverages with wide range of waiting periods.

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**Not available in New York and Massachusetts.

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Old Age Insurance Tops HIA Agenda

Urges Adapting Casualty Methods To Health Insurance

Liberty Mutual Chairman Says Rehabilitation Is 'Challenge, Opportunity'

Preventive medicine and rehabilitation of the disabled present both an opportunity and a challenge for the health insurance business, S. Bruce Black, chairman Liberty Mutual, declared in his address at the annual meeting of Health Insurance Assn. in Dallas. Greater service to the public can be provided by insurers "if we make up our minds that what is done to our claimant to treat and cure him is our business," he said.

The concept of insurance as protection by prevention of loss, as well as indemnification for losses not prevented, is applicable to all kinds of insurance protection but it has not had equal emphasis in all kinds of insurance, Mr. Black observed. Research into the causes of fires and into ways of minimizing the causes of fires has accomplished much in reducing the cost of fire losses over 125 years. Minimizing the causes of injuries in industry and care and rehabilitation of the disabled has greatly reduced the cost of work injuries. Similar results have been accomplished for other kinds of risks. However, in group A&S there has been "too much emphasis of often small differences in operating costs, or so-called 'retentions,' and all too little on the much greater possible savings through a better use of good medicine both preventive and curative."

Experiment Started In 1950

Liberty Mutual embarked 10 years ago on an experiment to determine whether a casualty insurance philosophy could find an answer to the cost of serious illness. Mr. Black said the experiment was undertaken with some misgivings. "Attempting to provide broad coverage up to \$5,000, without schedules and inside limits, at a time when the industry was struggling with maximums of \$8 to \$10 per day for hospitalization and \$150 surgical schedules, with an over-all maximum benefit for the most serious cases of \$400 to \$500 must have seemed like wild management to many of you. You must realize, however, that to those of us in casualty management, who are daily faced with medical care costs per case of many times the \$5,000, this maximum did not seem to be an astronomical sum. We had no strong reliance upon actuarial data. There was none in existence. Instead we laid down principles and controls that tied in with our know-how on occupational disabilities. The medical services had to be necessary. The fees had to be reasonable based upon good medicine in the community. The disabled person had to have a stake in the cure. We, as the insurer, assumed the obligation to cooperate with the patient, the doctor, the nurses, community agencies and facilities to see that these conditions prevailed. It worked."

But, Mr. Black added, there came a

Health Insurance Assn. leaders, from left, Millard Bartels, chairman insurance executive committee and general counsel of Travelers, the new president; V. J. Skutt, president Mutual of Omaha, outgoing president, and Robert R. Neal, general manager.



Skutt Suggests Six-Point Program To Battle Threat Of Socialization Of A&S Insurance

No other area of service in the lives of the American people represents "such a complete fulfillment" as does voluntary health insurance, V. J. Skutt, president Mutual Benefit H&A, and president of Health Insurance Assn., said in his address at HIA's annual meeting in Dallas. Last year was the greatest record in the history of private health insurance, he added, with more than \$5.1 billion paid in benefits, nearly double that paid only five years ago. And the first quarter of 1960 shows payments up 13% over 1959.

The rate at which additional people are being covered by health insurance exceeds the rate of increase in the population by 4½ times, Mr. Skutt declared.

127 Million Covered

"Based on this record—and assuming that the government will permit people to continue to provide for their health insurance needs the voluntary way—more than 80% of the population will be so covered by 1965," he predicted. He pointed out that more than 127 million persons are covered with some form of health insurance, while 115 million own life insurance and 58 million own automobiles.

Despite these records of accomplishment, including the making of health insurance available to every man, woman and child, Mr. Skutt said proposals to federalize the business have created the gravest threat A&S insurance has had to face. The answer to why there is agitation for a government sponsored, tax-supported medical care program for the aged as a substitute for voluntary coverage is "pressure politics."

Forand Legislation Irreversible

"Some have decided that this is the year for the big push of the U. S. into the morass of the welfare state," he stated. He called adoption of Forand-type legislation "an irreversible step toward the welfare state. The industry is not confronted with just a bill, but a philosophy, he declared. It involves compulsory tax withholding and constant broadening amendments. Statements from backers of such legislation that it is only what other countries are doing is an admission that those backers favor a welfare state, Mr. Skutt added.

Forand-type legislation can't be watered down, he warned, any more than death can be watered down. Once adopted, the philosophy prevails,

whether the start is big or little.

He said that despite mass meetings and clamor of a vocal minority, "the great majority of the senior ages, as well as the rest of our people, do not wish to take this backward step."

Six Points Given

Mr. Skutt recommended a six-point program for the A&S industry to cope with this problem:

—Opposition to any compulsory government health insurance program with its concomitant welfare state.

—Strengthening of public assistance for the older persons who need financial help; but at the same time encouraging reduction of inflation so that the dollar will buy more.

—Continue broadening benefits and reduction of costs of group and individual health insurance for all ages.

—Aid improvement in nursing home development and self-care hospital programs for the aged ill.

—Development of a comprehensive educational program so that the public is better informed on the usefulness of voluntary health insurance.

—Assist in studies of state and national conferences on the aged with the objective of helping older persons obtain wider participation and enjoyment of work and recreation.

Panel Gives HIA Views On Going Multiple Line

The pros and cons of multiple line operations were discussed at the HIA meeting by three insurance company executives. Arguments in favor were given by Travis T. Wallace, president Great American Reserve, Dallas, and Edwin H. Marshall, vice-president Indemnity of North America, while Charles G. Hill, vice-president Massachusetts Mutual, offered an opposing point of view.

Their talks were delivered during a symposium, "The Trend to Multiple Line Affiliations: Considerations Affecting Management Decisions," that preceded the annual luncheon of HIA.

Mr. Hill emphasized that in each instance the question of multiple line affiliations "must be approached from the standpoint of considerations peculiar to the individual company." He said there is an accelerating trend toward specialization within the life

(CONTINUED ON PAGE 39)

Federal Threat, Industry Response, Studied At Dallas

Forand-Type Legislation

Biggest Problem A&S

Business Has Encountered

By JOHN BURRIDGE

DALLAS—Members of Health Insurance Assn., holding their fifth annual meeting here this week, were put on notice emphatically that the newest

NEW OFFICERS ELECTED

President—Millard Bartels, Travelers.

Vice-president—H. Lewis Rietz, Great Southern Life.

Secretary—R. L. Paddock, Time of Milwaukee.

Public relations committee chairman—J. W. Scherr Jr., Inter-Ocean.

New members of the board—Nicholas Dekker, Fidelity & Casualty; Howard Hutchinson, Nationwide Mutual; J. K. MacDonald, Confederation Life of Canada; James T. Phillips, New York Life; James A. Powell, Provident Life & Accident.

crisis of A&S insurance—the threat of government intrusion to provide benefits for persons over 65—is the most serious the business and HIA have had to face. It was described by the outgoing president, V. J. Skutt of Mutual Benefit H&A, as posing "an irreversible step toward socialism," while other leaders warned that the danger will not pass or abate even if nothing happens in the present Congress.

Means Are Discussed

Means of coping with this overriding problem occupied, in direct or indirect form, most of the sessions of the Dallas convention. HIA companies, writing 80% of the private A&S insurance in the country, are faced with a challenge they may not even have time to meet adequately. If action on Forand-type legislation is postponed until after the elections the compa-

(CONTINUED ON NEXT PAGE)



Ardell T. Everett, 2nd vice-president Prudential, chairman of the HIA special committee on federal social problems, left, and E. J. Faulkner, president Woodmen Accident & Life, chairman of special committee on continuance of coverage.

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nies will have an opportunity to spread themselves into the field more impressively, but the great fear is that political motivations will produce something this year which will turn into a catastrophe.

Considerations of this sort were the principal subject of the opening sessions. Ramifications of the problem were dealt with in a full afternoon on public relations, and in talks which stressed political activity by insurance people and in a panel on cooperation between insurer, doctor and hospital.

Attendance at Dallas reached 375, with a heavy turnout of top management. More and more this meeting is becoming regarded as of enough consequence to warrant the time of company chief executives.

HIA Five Years Old

In its short five years of existence as the successor to H&A Underwriters Conference and Bureau of A&H Underwriters, HIA has had to deal with a variety of issues. It was born, in fact, largely as a result of the numerous problems in the A&S business; it being felt that a single, all-industry organization could do a more effective job. But last year was one of mounting difficulties—it was described by E. J. Faulkner, Woodmen Accident & Life, the first HIA president, as "difficult, vexatious and tense." Politics have moved in on the A&S business, and the companies are confronted with emotion as much as reason. The off-the-record business session which opened the convention Monday afternoon was devoted chiefly to a description of the difficulties ahead and the great efforts which will have to be made to overcome them.

The Dallas meeting, although opening on a note of crisis, was not a gathering devoted to moaning over issues. Having presented the problem in its worst aspect, the program committee filled in the next day and a half showing how it could be solved. The social events took place successfully, as they have in the past, and the finale, a talk by Dr. Thomas Dooley, chief of the MEDICO mission in Laos, provided an appropriate inspirational note.

Penn J. Jackson, chairman of the Texas board of insurance commissioners offered the welcome address at the luncheon Monday. He commented on the dual threat to the business of government regulation and government intervention. If federal regulation comes, he said, the industry and its regulators will have to take the blame jointly for local inadequacies. Objecting to government paternalism is not enough, he declared, challenging the business to offer an affirmative answer to the question of medical care for the aged.

V. J. Skutt, who presided at the executive session Monday afternoon, has been probably the most active president of HIA. He has traveled up and down the country organizing the companies to meet the threat of government insurance, and his own company has begun writing "senior citizen" hospital coverage as a demonstration of how private insurance can adapt itself to new demands.

The whole of Monday afternoon was given over to the issue of federal legislation covering medical care for the aged. Reports were made by Robert R. Neal, HIA general manager; E. J. Faulkner, who heads the special committee on continuance of coverage, and Ardell T. Everett, Prudential, chairman of the special committee on federal social problems.

The members were informed that the matter of medical care for the

aged has become a first rank political issue. If nothing is enacted in the present Congress, it is likely the question will be used heavily in the election campaigns. HIA hopes for a carefully planned and thorough investigation of the needs in this area before any legislation is adopted. It is felt that if government takes over in this area, it will amount to a surrender to socialism.

Preliminary reports were made on the HIA survey on types of coverages available to the aged, showing changes from years past. But the members were told that still more needs to be

typical reaction

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done if an impressive showing is to be made on the national level. "Progress is the price of survival in the health business today, and it is the responsibility of every single one of us," one of the speakers said.

Federal Level Problem

This is a serious problem at the federal level, it was pointed out. And there is too much apathy toward the consequences, even within the business. It was mentioned that waiting too long to offer a solution can produce the type of program now in ef-

fect in Canada, where it was learned that it is impossible to compromise with such an issue.

Fourteen speakers appeared on the formal program Tuesday and Wednesday, six of them as panel members. "Problems and Progress in Prepayment Cooperation" was dealt with by Dr. F. J. L. Blasingame of American Medical Assn., Tol Terrell of Shannon West Texas Memorial Hospital, and A. M. Browning of New York Life. S. Bruce Black, Liberty Mutual, talked on control of losses in A&S insurance. Their remarks are reported elsewhere.

Public relations were explored, present and future, Tuesday afternoon by James R. Williams, vice-president Health Insurance Institute; J. W. Scherr Jr., Inter-Ocean and Paul B. Cullen, Aetna Life, whose talks also reported separately.

The advance of scientific medicine has ignited "revolutionary expectations" in the American people about their health and welfare, Gilbert Cant, medicine editor Time magazine, said in his talk which concluded the Tuesday session. He predicted that these growing expectations will have far-

reaching effect upon medical research, financial provisions for medical care and the diminishing value of the dollar.

Many people today, he added, are confident that panaceas will soon be found for all human ills—most notably cancer. Stating that while this may seem unrealistic, he cautioned against underestimating the power of the expectations themselves. The public is "demanding" the best medical care available and wants protection against the costs of even the most catastrophic illness.

The present generation is one "which expects to be able to protect itself against virtually any foreseeable risk through the purchase of the appropriate insurance," Mr. Cant observed.

Understanding Is Growing

While many people still do not sufficiently understand the mathematical bases of insurance, he said, "this understanding is growing and with it there is growing an opportunity for the suppliers of health insurance to make gains which will make those of the last 25 years seem like peanuts." The current furore over financing hospital care for the aged "is but a single small facet of a far greater phenomenon. We should not concentrate on this to the exclusion of the rest of the field," he added.

"The future of the insurance industry depends upon your interest and active participation in national politics," Paul A. Hammel, Nevada commissioner and president NAIC told the HIA Wednesday morning. He said the industry's future "is very much at stake each time a congressman, senator or president is elected to office."

The national trend of the past two decades has been far from conservative, Mr. Hammel commented. Promises to provide federal assistance from cradle to grave have been commonplace, and the trend toward a big centralized government is apparent.

"Have you, individually or collectively, made any effort to elect to office congressmen and senators who believe in, advocate and vote for the retention of our American free enterprise system and the rights of the states?" he asked. "If you have not and do not do so in the future," he concluded, "you will most certainly reap a harvest of federal legislation that will be ruinous to your business."

The commissioner said of particular importance to members of HIA is the need for "providing coverage for our senior citizens capable of paying for their protection to reduce to a minimum demands for federal laws to provide hospitalization and medical care assistance to all senior citizens regardless of need and the prevention of legislation of the Forand type."

More Wednesday Speakers

Other speakers Wednesday were L. M. Cathles Jr., Aetna Life; and three members of a panel on multiple line affiliations—Travis T. Wallace; Edwin H. Marshall of Indemnity of North America, and C. G. Hill, Massachusetts Mutual Life. Reports on their remarks are carried elsewhere in this report of the HIA meeting.

Early arrivals Sunday were treated to a get-together reception. All registrants were invited to the luncheon Monday, and the big social event was the reception and dinner Tuesday evening. Dr. Dooley addressed the "annual luncheon" Wednesday, following which the new officers were installed.

HIA will hold its 1961 meeting May 8-10 at New York.



"NEW Lifetime Disability Income most anyone can afford? Sounds good! Can I write it as a surplus line, or is this a full-time sell? How about elimination periods?"



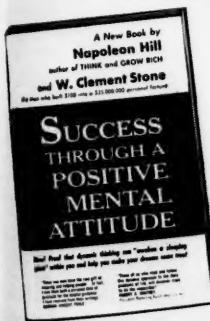
"8TH DAY, 30, 60 or 90 days on either Accident or Sickness? Man, that's great! All the flexibility I need. Tell me, is this contract written only on the lifetime plan?"



"3 PLANS you say... Lifetime Accident-Lifetime Sickness, PLUS Lifetime Accident-Two Year Sickness, and, Five Year Accident-One Year Sickness... ALL with flexible elimination periods! Beats anything I've heard!"



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Photos Of Health Insurance Assn. Annual Rally

In the camera eye at the reception Sunday for early arrivals at the annual meeting of HIA at Dallas. (All identifications are from the left.)



Frederick Jackson of the HIA staff; Mrs. Jackson, and Henry R. Roberts of Connecticut General.



J. W. Scherr Jr., Inter-Ocean, chairman of HIA's public relations committee, and James A. Powell of Provident Life & Accident.



Bruce Gifford, managing director, representing International Assn. of A&H Underwriters, with C. Meade Chamberlin of Mutual Benefit H.&A.



Dutton Stahl Jr., who is with Chance-Vought Aircraft in Dallas; Mrs. Dutton Stahl Sr., Mrs. Stahl Jr., and Dutton Stahl Sr., Iowa State Travelers Mutual and outgoing secretary of HIA.

Robert Neal, HIA general manager; Commissioner Paul Hammel of Nevada, president of NAIC and a featured speaker on the program, and John Hanna, general counsel of HIA.



Charles Scott, Great American Reserve; C. G. Ashbrook, North American Life; V. J. Skutt, Mutual of Omaha, HIA president; Robert Neal, general manager of HIA, and J. M. Wickman of Mutual of New York.



Mrs. Robert Neal, whose husband is general manager of HIA, with George Light of Travelers and Mrs. H. Lewis Rietz. Mr. Rietz is with Great Southern Life and is the new vice-president of HIA.



Jack Olson, Combined of Chicago; Carl Z. Hanor of Retail Credit at Chicago, and Joseph Peel of the HIA staff at Chicago.

Joseph A. Follmann Jr. of HIA, New York, with Mr. and Mrs. Joseph O'Regan of HIA, Chicago.



A. H. Kessler, American Casualty; Christopher Cox, North American Reinsurance; R. P. Mooney, American Casualty; H. Stanley Marmaduke, Atlantic Life, and Robert E. Ryan, Royal-Globe group.

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Important Role Of Public Relations In Health Insurance Future Stressed

Cullen Urges Story Of Insurer Accomplishments Be Made Widely Known

A broad campaign by insurance companies to inform the public of the accomplishments of voluntary health insurance in protecting the aged against health care costs was recommended by Paul B. Cullen, manager information and education department Aetna Life companies, in his talk at the annual meeting of Health Insurance Assn. in Dallas.

"Think what would happen if each of the 175 companies continuing individual policies after age 65, and each of the 120 companies issuing new policies after age 65 began to advertise in newspapers, on radio and television," he declared.

He also urged more widespread reporting on the various group health insurance policies which continue coverage after retirement and on the "creativity" of insurers in devising many new plans to meet the needs of older people.

Insure 7.7 Million Aged

HIA recently estimated that 7.7 million people over age 65 had some form of health insurance at the beginning of 1960, compared with only 3.4 million in 1952. The rate of growth of health insurance among the aged has been more rapid than among the rest of the population.

Mr. Cullen said that while proponents of federal encroachment upon health insurance have used emotional arguments to make health care for the aged a political issue, voluntary insurers have been doing a good job but have not adequately informed the public about accomplishments.

Health insurance, which today covers an estimated 127 million Americans, is one of "great interest and appeal" to the public, he declared, "but we have not done much about it. The federal government and the politicians have seized upon an opportunity which we failed to grasp."

Greatest PR Challenge

The voluntary health insurance business, he said, "is facing its greatest public relations challenge—and opportunity. How well, how often, how convincingly we tell the story of our accomplishments, now and in the future, will govern the opportunities we are given to fill the health insurance needs of the public."

Mr. Cullen said that whether or not any of the current legislative proposals in Washington is enacted, "we still have a job to do" in the informational and educational field. "I am sure you will agree, that if no legislation is enacted at this session of Congress, we would be foolish to believe that the war against government intervention is won," he observed.

If comparatively limited legislation is enacted, he warned that attempts will soon be made to broaden it, thus further encroaching upon the field of voluntary health insurance.

"So, win or lose at this session of Congress, we not only have a job to do... and that job is working day in and day out to convince the American public that financing its health care needs is best done through the voluntary insurance system."

Health Insurance PR Depends On Company Performance, HIA Told

J. W. Scherr Jr., Inter-Ocean, chairman of the public relations committee of HIA, speaking at the annual meeting in Dallas, said the health insurance business is currently dealing with "one of the most sensitive and potent problems we have ever faced—financing health care for the aging and aged. Entirely apart from the controversy now taking place in the political arena, what we say and how we act in this situation will be scored for or against the whole cause and future of voluntary health insurance."

He declared that HIA's public relations arm, Health Insurance Institute, "cannot support effectively anything short of top performance." However, he assured HIA members that his committee, working with the institute would continue to strive for the best job possible using "the only tool at hand... performance and it must be provided by the companies."

Budget Is \$400,000

In his report for the public relations committee, Mr. Scherr said HIA's budget is approximately \$400,000. There are roughly 130 million people with health insurance in the U.S., and "relating this to the institute's budget," he said, "we find that we are spending for these services something in the neighborhood of one-third of one cent per year for each covered individual. I think you will agree that we are getting a good value."

He outlined the beginnings of the institute in 1956, and said the public

relations committee at that time approved a long range program of activities "which would bring to the public—and, I may add, some of our companies—a greater understanding of the importance of health insurance both to our way of life and to the security of the individual and his family."

Summing up the work of the institute, Mr. Scherr declared:

"I know of no other public relations organization, operating on a national level, which, in the short span of four years, has been able to make its presence and its principles known to so many publics, and that includes the press, radio, TV, educational circles, farm groups, governmental experts, medicine, hospital administration and many others."

Prudential's southwest and northwest Pennsylvania regional offices have moved to the America Fore Building, 200 S. Craig Street, Pittsburgh.

UNITED INSURANCE COMPANY OF AMERICA

The Fastest Growing Company of Its Kind in America

FOUR YEAR PHENOMENAL GROWTH

1955

\$53,209,252.00

\$58,034,592.97

\$8,952,288.88

\$480,492,046

◀ INCOME ▶

◀ ASSETS ▶

◀ CAPITAL & SURPLUS ▶

◀ INSURANCE IN FORCE ▶

1959

\$81,055,512.55

\$113,466,116.70

\$19,663,984.05

\$708,834,983

Writing All Forms

of

Ordinary Life — Lifetime Disability Accident and Health

Hospital — Medical and Surgical Coverages

Industrial Life — Accident and Sickness Policies

Operating in 43 States and The District of Columbia

Home Office

1313 South Michigan Avenue, Chicago 5, Illinois

"the Man with the Golden Pen"

Helping Thousands to Write Their Financial Declaration of Independence

LIFE • HOSPITALIZATION • S&A • ENDOWMENT • MORTGAGE CANCELLATION • GROUP INSURANCE

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Home Office: Los Angeles 54, California



FORWARD

with PAUL REVERE

At Paul Revere FORWARD symbolizes much . . . growth . . . attitude . . . spirit . . . a feeling of teamwork. For Paul Revere field underwriters enjoy the full support of a broad and well-integrated recognition and service program . . . a program designed to further their individual success:

- attractive financial incentives
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. . . only a few of the reasons why career underwriters are attracted to Paul Revere as a company interested in their personal progress.

The PAUL REVERE
Life Insurance Company
WORCESTER • MASSACHUSETTS
Canadian Head Office: HAMILTON, ONTARIO

Non-cancellable Accident and Sickness • Hospitalization • Life • Group

JUST PLAIN HONEST INSURANCE

Fifty-five Years of Successful Service

in

**SICKNESS-ACCIDENT-HOSPITAL &
SURGICAL INSURANCE FOR MEN IN
PREFERRED OCCUPATIONS**

MINNESOTA COMMERCIAL MEN'S ASSN.

PAUL CLEMENT, President

2550 Pillsbury Avenue

Minneapolis 4, Minn.

Broader Scope Of HII Activity Shows More Interest In Insurance

The health insurance business is facing the most serious challenge in its history but it should not underrate its own strength and ability, James R. Williams, vice-president Health Insurance Institute, told Health Insurance Assn. members at their annual meeting in Dallas. "There is no reason to believe that we can't continue to justify the public's confidence in voluntary health insurance as the most satisfactory means of financing health care costs," he declared.

Mr. Williams said public interest in health insurance is continuing to grow as people pay more and more attention to the rapid changes and developments that are taking place in the insurance business.

Reports Facts

The institute's activity is "basically one of reporting the facts," he explained, and this is based on the premise that the presentation of facts on any given issue "enables people to arrive at sound decisions, which in the long run will be in the public interest."

In the past year, Mr. Williams stated, the institute has expanded its program with two purposes in mind—to broaden its reporting activity, and to report in greater depth. The monthly news sheet, "Health Insurance News," is sent to more than 8,000 newsmen, columnists and editorial writers, and a new supplement to this publication is sent monthly to 3,600 radio and television newsmen. He indicated the growing press interest in health insurance by reporting that the monthly returns from a clipping service "more than doubled" in the past year.

"Source Book Of Health Insurance Data," which HII published last year, was sent to more than 45,000 educators, insurance, government and other business people and 800 copies were distributed to congressmen, government officials and newsmen in Washington. Mr. Williams said HII also developed background material for over 40 national magazine, newspaper and television feature stories, in addition to

answering more than 500 letters of inquiry and innumerable telephone calls seeking information. Requests for information from all sources tripled last year.

Because health insurance is an integral part of financing medical care, HII started a new publication devoted to the economics of health care, "Survey of Health Economics."

And, he said, HII provided "public relations assistance with a variety of informational tools" to the Health Insurance Council in its work with doctors and hospitals.

Tells How Insurers Will Participate In Federal Employe Plan

Arrangements under which insurance companies may participate in reinsurance of the indemnity benefit plan under the federal employees health benefits act of 1959 were explained at the Health Insurance Assn. annual meeting in Dallas by Lawrence M. Cathles Jr., vice-president group division Aetna Life. He said he hoped that most companies will participate in this reinsurance because the indemnity benefit plan represents "an industry effort and a substantial segment of the insurance industry should be represented."

Describes Plans

Mr. Cathles described briefly the benefits of the two government plans, the indemnity benefit plan and the service benefit plan, which become effective July 1, the latter administered by Blue Cross-Blue Shield. He pointed out, however, that in all there would be more than 40 plans and options from which the federal employees may choose.

Mr. Cathles mentioned the possibilities of adverse selection as a result of the choice element in the program and the possible implications for the insurance industry if the participation in the industry plan were not reasonably good.

He emphasized the relationship of cost to participation, saying "Actually we believe that our premium rates will prove adequate if at least 40% of the government employees select the indemnity benefit plan. If our participation is poor, however, and we only

(CONTINUED ON PAGE 41)

A Salute to the

HEALTH INSURANCE ASSOCIATION

OF AMERICA

and

HEALTH INSURANCE INSTITUTE

upon your excellent record of outstanding achievement in a vital field of public service

PROVIDENT LIFE AND ACCIDENT

INSURANCE COMPANY

Chattanooga

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Doctor, Insurer, Hospital Administrator Review Progress In Mutual Understanding

"Problems and Progress in Prepayment Cooperation" was taken up at meeting in Dallas by a three-man panel consisting of Dr. F. J. L. Blasingame, executive vice-president American Medical Assn.; Tol Terrell, administrator Shannon West Texas Memorial Hospital, and Arthur M. Browning, New York Life, chairman Health Insurance Council.

Dr. Blasingame said he feels it would be "a tragic error" to abandon voluntary health care financing for any segment of the population—young or old.

He said the "phenomenal progress" of voluntary health insurance paralleled advancements in medical care itself and that only this kind of competitive, private enterprise is capable of developing the best coverage.

"I am afraid that the starry-eyed benevolence purveyors who support Forand-type legislation are working under a delusion," he declared. "They seem to think that good health for all

the aged will arrive the moment a law of compulsion is passed."

Mr. Browning, who is vice-president in charge of group insurance for New York Life, observed that "a crash program to end all crash programs may prove to be the only way to defeat the forces of collectivism." He said if some type of federal plan for medical care of the aged is enacted this year, it would hasten the nationalization of medicine and insurance. If no such legislation is enacted this year, "the race between voluntary plans and some federal plan for the aged during the next two years will make the four minute mile appear to be a leisurely stroll. The job of covering the remaining aged, which otherwise might proceed over a period of years, may have to be done almost instantaneously."

Mr. Browning reported that the progress already made toward solving problems among insurers, physicians and hospitals "can be the basis for confidence in our ability to solve current and future problems."

Areas Of Progress

Among areas of recent progress he listed simplifying claim forms; development of more efficient methods for insured individuals to enter hospitals without the necessity of cash down payments; development of "meaningful and reliable" data and statistics on health coverage; opening of new channels of communication among the three professions, and common efforts toward stabilizing health care costs.

Mr. Terrell, a past president of American Hospital Assn., reported on a personal survey he was conducting among 15 hospital administrators in 12 states. Among problems mentioned thus far by the respondents, he said, were the "loss between the time that the hospital contacts the company for verification and when the company answers," and the need to itemize benefits covered in the payment.

Areas of progress listed by the participants in Mr. Terrell's poll were general acceptance of the standard reporting form for individual policyholders, prompt verification and payment of claims and improved communications.

ness without lowering life or health insurance production.

Furthermore, Mr. Wallace said, "We knew that some of our salesmen were already brokering fire and casualty business and it was our considered opinion that sooner or later most of our salesmen would be selling fire and casualty for somebody; and, since we were financing, housing, supervising, and training them, it seemed better that this somebody be us."

Mr. Marshall, whose company has entered the life field, said combining coverages has been of benefit to the public.

"Diversification is much sought after in every industry," he declared. "Life insurance is a stable business and it has been profitable. Accordingly, it should be expected to serve as a counterbalance to the erratic behavior of the other lines of insurance. . . . The cost of distribution is less than proportionately increased by the development of a complete line of products. . . . Entrance into the life insurance field offered management opportunities for broad new concepts in the packaging of products and the development of integrated insurance programs in the public's interest."

HIA Views On Multiple Line

(CONTINUED FROM PAGE 33)

insurance business itself and stated: "We have found it to be far from an easy job to recruit and train men suited to this degree of specialization even within the related fields now covered by us. Hence, we feel that it would be next to impossible to absorb effectively within the framework of our existing sales organization another line totally unrelated to protection against the economic hazards of death, disability and old age."

He said the possibility must be considered that a better service to the public could be rendered by making life underwriting facilities available to a large number of additional agents through affiliation. "The question is, does a life company like ours enhance the insurance service available to the public as much by suddenly increasing the number of persons authorized to represent it as it does by concentrating on more gradual growth while represented only by thoroughly trained underwriters who handle life and group coverages exclusively? We feel not, for the reason that there currently is no apparent shortage of outlets for life insurance, but rather there is an acute shortage of representatives sufficiently well-qualified to adequately serve the life insurance needs of our nation, at least as we see them."

Division 'Artificial'

Mr. Wallace, whose company has entered the property and casualty business, described the division between life and property and casualty insurance as "artificial."

"For years farsighted men in the insurance business have repeatedly insisted that this division was not in the best interests of the insuring public, the insurance companies or the salesmen," he observed.

He said his company believed that the addition of fire and casualty would act "as a catalytic agent in bringing about a renewed vitality throughout the company, resulting in an important jump in our rate of growth."

He added he also believed that adding other lines would make it easier to recruit men, and would improve the company's survival rate, and that his company would get the fire and casualty business as a plus busi-



When Woodmen Accident and Life Company recently entered upon its seventieth year, its philosophy and aspirations were restated by the President, E. J. Faulkner, in these words: "Ever since our Company was founded in 1890, it has sought to earn and deserve the reputation of being a good company with which to insure. We work to assure that *The Protecting Hand* emblem on our policies of life and health insurance is a hallmark of quality, *like sterling on silver*. For seven decades, the Company's guiding purpose has been to provide sound protection and reliable service at reasonable cost. That is our purpose today."

Career opportunities for men who seek success in the personal insurance business are brighter with Woodmen Accident and Life Company because of its unusual financial strength, modern and complete coverages, long history of outstanding performance, and program of field representation through carefully trained, locally-established specialists in life and health insurance. For complete information, write to L. J. Melby, Vice President and Director of Agencies.



E. J. Faulkner, President

Woodmen Accident and Life Company

Lincoln, Nebraska



All forms of LIFE—HEALTH—ACCIDENT—HOSPITAL—MEDICAL
AND GROUP INSURANCE

Established 1890

A Mutual Legal Reserve Company

PIONEERS IN PERSONAL PROTECTION

Since 1883

Personal Accident, Sickness and
Hospital & Surgical Insurance

for Preferred-risk Men and Women

The Commercial Travelers MUTUAL ACCIDENT ASSOCIATION

Edward Trevett, Secretary-Treasurer

Utica, N. Y.

*Great National Life's
newest coverage is the*

FLEXIBLE HOSPITAL AND SURGICAL POLICY

*...tailored to
meet the
needs of each
family
group*



**Coverages: Life • Accident and Sickness • Hospitalization • Group
GREAT NATIONAL LIFE INSURANCE COMPANY
FOUNDED IN 1928 DALLAS, TEXAS**

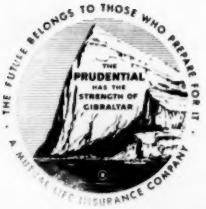
DALLAS, TEXAS

ANOTHER STEP FORWARD BY PRUDENTIAL

Retired Employees Health Benefits

Prudential has taken another step forward in the important area of providing health insurance for America's senior citizens. Now, through Prudential's new Retired Employees Health Benefits plan, employers whose employees are protected by Prudential Group Hospital or Basic Major Medical Expense Insurance automatically have available a unique and new Group Hospital and Surgical benefits plan for their retiring employees.

Prudential already has contributed substantially to the recent tremendous growth in health insurance for older persons both through its individual and Group policies. Now, Prudential is proud to offer its REHB plan of Group benefits—a product of private enterprise—to many more persons in the ever-growing list of our senior citizens.



THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

To over 35 million people—INSURANCE means PRUDENTIAL

You'll enjoy "THE TWENTIETH CENTURY," Sundays, CBS-TV

Black Urges Adapting Casualty Methods

(CONTINUED FROM PAGE 33)
parting of the ways. Controls through claimant service and medical cooperation gave way to complete reliance upon actuarial science. Introduction of inside limits attempted to peg liabilities to definite dollar maximums. Introduction of time limits permitted expansion of over-all maximums to \$10,000 and even \$20,000 without actual expansion of loss liabilities. "In other words, the success of the program became contingent upon actuarial and underwriting techniques to the exclusion of effective service to the claimant in medical management, controls, and rehabilitation. The effect has been skyrocketing loss ratios, introduction of further limitations in coverage, constantly increasing premium rates, in the face of massive public demand for broader coverage at reduced rates."

Much Confusion Noted

Insurers are studying and proposing means to meet the public demand, but there is much confusion, Mr. Black noted. Actuarial bases are not conclusive. There are demands for benefits running \$200 to \$300 or more per week. Pyramiding of benefits by purchases from a variety of insurers is creating major moral hazards. Yet the totally disabled person who lives as a disabled person for 20 years at a benefit of only \$100 per week will cost the insurer \$104,000, or \$156,000 for 30 years. And at the same time medical science will be making progress in keeping people, including disabled people, alive longer.

Rehabilitation of the disabled, to turn loss into an opportunity to create useful men out of disabled men, is, Mr. Black declared today's challenge to the A&S industry. "We can soundly write coverage under major medical to a relatively high maximum and remove many of the coverage restrictions, if we once decide that we should care for the sick claimant, if we make up our minds that what is done to our claimant to treat and cure him is our business. As one recent experiment in Boston has shown, it is possible to provide for high quality diagnostic and clinical care out of savings from unnecessary use of hospital care for diagnostic purposes through cooperative effort with physicians in planned procedures. As other experiments have shown, we can provide coverage for home care following hospital confinement (which is of much greater value to the patient than needless hospital confinement) at one-third the cost of continued hospital confinement. Still other experiments have shown hospitals can revise their practices so that convalescent care in the hospital eliminates the use of staffs and facilities geared to care of those critically ill, thereby not merely reducing costs but also providing care more suitable to the patient's need. Other experiments have shown we can eliminate critical hospital care for those who need only custodial care, and provide coverage for custodial care if custodial care facilities are set up to meet the needs on a sound basis. Perhaps we can even finance a program of income protection for the life of the individual provided we are willing to work with the disabled person to get him back on his feet, to help him regain his will to triumph over his handicap."

Support Good Medicine

Mr. Black admitted this might seem like dictatorship of medicine, but "it isn't that at all. We seek and support good medicine. The better it is, the better we fare." It is not the science of medicine, but the economics of medicine that has brought the profession face to face with the threat of government dictation, side by side with health insurance, he said. "We do not attempt to set fees. We do not ask physicians to form group practice units, and we do not ask to sit in on

consultants, however, reasonable in terms of working on such a plan been correct. "If," says the philosophic philosopher, "A&S insurance of the industry in the past, a family, a care of the Coverage greater premiums now we learned to harness the public coverage replacement spread the have to in particular liability there will price per convenience of except through the disabilities.

Federal Plan (continued)
get 20% may be 5 to 10%
The insurance plan has been considered our adjustment had to be of doing other inhibited a principle resolved.
Discussing Mr. Cathles, the factor giving a larger share of the pro-rata produced. Cathles has have a small business which will be a federal plan, it is another reinsurance.
The features of the act will lose eligibility granted Cathles says will be under a special reinsurance, operating under a formula.

Variety Prospects (continued)
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At the description factors that out that even annuity commitments will loss, since charges are the 12-year nation costs.

Northwestern Phoenix School Ro

consultations with patients. We do, however, ask for good medicine at a reasonable price. We measure values in terms of results. Our experience in working with the medical profession on such a cooperative basis has always been cordial and satisfying."

"If," said Mr. Black, "we merge the philosophy of life insurance and the philosophy of casualty insurance in A&S insurance, we may eliminate some of the inefficiencies which now threaten the paying abilities of the American family, and we will in truth be taking care of the person who is ill or injured. Coverage will broaden to the point of greater claimant satisfaction and premiums may at least stop going up as we learn more and more how to harness knowledge for the benefit of the public. If we are ever to provide the public with broad and adequate coverage, both in the area of income replacement and medical expense and spread this cost to the public, we will have to modify our ideas of fixed dollar liabilities per case. But once we do there will be no answer to either a price people can afford, or the solvency of our insurance companies except through concentration on care of the disabled."

Federal Employe Plan Told To Insurers

(CONTINUED FROM PAGE 38) get 20% then we believe our rates may be inadequate by perhaps some 5 to 10%."

The insurance committee for the plan has found the U. S. Civil Service Commission "always willing to consider our point of view and in the adjustments which frequently have had to be made between our methods of doing business and those of the other insurers, they at all times exhibited a quick understanding of the principles involved and diplomatically resolved the issues," Mr. Cathles said.

Discussing the reinsurance formula, Mr. Cathles explained that a weighting factor gives smaller companies a greater share of the business than a straight pro-rata formula would have produced. Certain companies which now have a substantial proportion of their business on government employees which will be lost to them when the federal program becomes effective will, it is hoped, be guaranteed under another formula at least as much reinsurance as the business they lost.

The federal employees health benefits act requires that employees who lose eligibility for coverage must be granted a conversion privilege. Mr. Cathles said these conversion policies will be underwritten by Aetna Life in a special pool and this pool will be reinsured with all companies participating under the same reinsurance formula.

Variable Annuity Life's Prospectus Gets OK

(CONTINUED FROM PAGE 1) tains in the fields of law and accounting.

At the beginning there is a detailed description of the system of expense factors that is used, and it is pointed out that early termination of a variable annuity contract purchased by installments will in all likelihood result in a loss, since sales expenses and other charges are not imposed equally over the 12-year period over which acquisition costs are spread.

Northwestern Mutual has moved its Phoenix Office to 333 West Indian School Road.

'Girl Friday' Aids Bentley During Talk On Office Organization

(CONTINUED FROM PAGE 8)

There is a maze of detail here which should be the primary concern of secretaries and not of the man who earns the commissions.

Cut clippings from newspapers on any material that involves clients. Newspapers are also a good source for prospects.

Prepare Schedules

Prepare all schedules for the producer—dates, travel plans, luncheons, etc.

Call clients and arrange for their periodic audits. Here, again, is a detail area in which a producer need not become involved.

Call clients and arrange for their appointments with medical examiners. Here, the secretary can even provide a personal touch by accompanying the client to the doctor's office.

Keep in touch with group clients for routine changes that can just as easily be handled by someone other than the producer. The same goes for established individual clients.

Be Assistant Salesman

In effect, a good secretary should almost be an assistant salesman, Mrs. Joffe concluded. She, herself, has on occasion handled routine closings over the phone on \$5,000 and \$10,000 cases.

Mr. Pille, in developing his point that agents are not using their professional knowledge in the best interest of clients, referred to the fact that it is the life producer who knows better than anyone what is best for the client and even knows it better than the client, himself.

Mr. Pille said it is the trained life insurance agent:

—Who knows how time flies and

Aetna Life Companies Receive Top PR Award

American Public Relations Assn. has presented to Aetna Life companies its "Silver Anvil" award for outstanding community relations in 1959. The award—the second received by the companies in the past four years—was made in recognition of sponsorship of the Hartford Symphony Orchestra TV concert series.

Won First Award In '56

The companies won their first award in 1956 for development of the Aetna Drivotrainer, a training device now used by more than 80 high schools in 20 states.

Among the highlights of the 1959 TV series were a \$1,000 Aetna Life music scholarship competition for Connecticut high school students, and allocation of half the "commercial" time for film reports on greater Hartford community service organizations. James F. Goyette, assistant manager of the companies' information and education department, accepted the second award at a dinner concluding at the donor association's annual meeting at White Sulphur Springs.

LIFE DEPARTMENT MANAGERS

Large multiple line company with life affiliate needs 4 men to head up Illinois, Ohio and Pennsylvania life operations. Must develop life business through licensed agents in Illinois, Ohio and Pennsylvania. Location Chicago, Cleveland, Pittsburgh and Philadelphia. At least 5 years experience in selling, agency supervision and brokerage in the Ordinary and Group field. Our offices are aware of this ad. Replies held in strict confidence. Write Box P-45, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

how procrastination in buying life insurance can result in tragedy.

—Who knows how most people want to get rich quickly and how they must be weaned away from equity investments and to the form of investment which will provide them with the security they need—life insurance.

—Who knows that just about everyone in the United States lives up to or beyond his income and has to be pushed into buying insurance.

—Who knows that there may be three, four or five times in a man's lifetime when he will face crises, in which he can derive help from the cash value in his permanent life insurance.

Policy Benefits The Only Estate

—Who knows that few men die leaving anything of substance except their life insurance.

—And who knows that it takes only a little more persuasion to get a client to buy permanent life insurance rather than term.

It is this kind of knowledge, Mr. Pille said, which is not being put to work in the best interests of clients.

Director Of Agencies For Ga. International Fla. Subsidiary Named

Earl R. Ormsbee Jr. has been appointed director of agencies of Florida-Georgia International Life, a wholly owned subsidiary of Georgia International Life. Mr. Ormsbee has been superintendent of Georgia International and before that was general agent for Pan-American Life in Norfolk. Home offices of the Florida subsidiary are in Tallahassee.

James W. Hunter has been named assistant director of agencies of the subsidiary, with headquarters in Fort Lauderdale, where he has been general agent for Federal Life & Casualty.

Citadel Of N. Y. Begins Operations

Citadel Life of New York has formally begun operations and according to M. B. Pomrock, president of the new company, expects to have written \$1 million of coverage on its first day in business. One-third of Citadel's stock is owned by three Israeli insurance companies.

WANT ADS

Rates—\$22 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

HOME OFFICE LIFE SALES MANAGER

Company-wide responsibility for life insurance development including training schools and sales promotion. Medium-sized, national company with attractive New England location. Successful selling and supervisory experience required. Your opportunity to participate in home office operations at high agency level and to develop further your management skills. Write Box P-58, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENCY OPPORTUNITIES

One of the oldest mutual life insurance companies now expanding in the East and Middle West has several exceptional agency openings. Qualified builders of full time agencies are offered general agency contracts with supplemental initial financing. Send resume in confidence to Box P-68, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY SUPERINTENDENT

We are looking for a hard hitting life agency man to move into our home office as agency superintendent over offices in 12 Caribbean countries. Must be 38 to 42 years of age, speak Spanish fluently, and have lived in Latin America for some time. Send complete resume and photo, in confidence, to:

Vice President, Latin America
Pan-American Life Insurance Company
New Orleans, La.

PRESTIGE BUILDING

Arlington, Virginia, at the Gateway to the Northern Virginia "Pot of Gold" Area of Metropolitan Washington. Just completed. This building offers Location, Parking, Air Conditioning, heat, light, custodial services, piped in music. Minutes from downtown Washington and 1.5 Million People. For Information:

Paul I. Burman
4000 Albemarle Street N.W.
Washington 16, D.C.
Emerson 2-8847

Actuary needed . . .

in New York City to supervise actuarial staff engaged in making annual valuations of certain municipal pension plans. Also opening for two juniors. Entrance salary range \$7,500 to \$20,000. Write Box P-57, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ASSOCIATE MANAGER

of \$100 million branch of top Eastern company \$12 million annual production, age 38, LIAAMA graduate, years of field experience as personal producer, organizer, recruiter, versed in all phases of business insurance, is interested in a change for personal reasons. General Agency on West Coast or Hawaii preferred. Please reply Box P-65, National Underwriter.

Home Office Chief A&S and Life Underwriter

Must have from 3 to 5 years underwriting experience in both Life and A&S, plus proven organizational and supervisory ability. Atlanta, Georgia location. Salary open. Send complete and confidential resume to Box P-33, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY

Young FSA with insurance consulting and company background, experienced in Ordinary and Pension Research and Development, desires large or middle-sized company position with challenge and future. Will relocate. Write Box P-49, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Discussing "give-away" items like policy wallets, change of age cards, calendars, blotters, and the like, Mr. Manning said these things go a long way to build the agent's prestige and should definitely be used. But where a company is not in a position to supply all these items to its agents perhaps it would be a good idea for the company to let its agents know of sources where such items can be obtained.

Policies Lack Readability

Policy forms, Mr. Manning observed, could be made more attractive and readable. Some companies have done something about this but few of them have gone far enough, he said.

"I bought my last life insurance policy about a year ago and I want to tell you it's a complicated document," he said. "If I had kicked the bucket this morning, my wife would have had one hell of a time figuring out what the policy contained. Fortunately, we have a good agent who has prepared a program for me, and it's going to be his headache. One consolation: It won't be mine."

"I'm fully aware of the impact that your legal departments have insofar as the wording of the policies is concerned. I suspect that they tie your hands from time to time and for this reason your policies remain unchanged or change only slightly. I think these legal gents believe a policy must be complicated, must be written with a number of words and take a certain length of time to read."

Touching on public relations and the agent, Mr. Manning said the agent today is becoming more and more public relations minded, and good public relations help the public to know the agent and what he does more rapidly than any other way.

People Remember Feelings'

"Public relations creates warmth," he said, "and I don't have to tell you that people remember a feeling longer than they remember a fact, and you want to make your agents have the best kind of image in the minds of their clients. I believe the agents feel their companies are, by and large, doing an outstanding public relations job for them—that is, they believe it as soon as they understand the tremendous task you are faced with, public relations-wise. I would be remiss if I failed to mention the Institute of Life Insurance the superb PR job it is doing for the industry—yet some agents do not think the institute is doing a good job."

Asked in the question period to give the basis for this feeling, Mr. Manning said the anti-inflation advertising campaign caused some agents to think that the institute should have been doing more to build up the prestige of the field men. They liked the ads that did this, he said.

Dale Heads Atlanta Group Agents
Robert L. Dale, Provident Mutual Life, has been elected president of Atlanta Group Representatives Club. Other officers elected were James D. Holland, Guardian Life, vice-president; John P. Clos, Gulf Life, secretary, and Clinton Armstrong, United American Life, treasurer.

William P. Worthington, left, president of Home Life of New York, and Lester O. Schriver, NALU executive vice-president, at the banquet marking the company's 100th anniversary.



Few Are Set For Cost Of College

(CONTINUED FROM PAGE 6)

surance and its function in their whole plan for family security. Your husband's job is to make people want the things life insurance accomplishes more than they want the dollars required to get it."

The wives were also on hand as awards were presented to 18 outstanding producers, who received gold watches for their accomplishments from the company's managers' association. Also honored were six agents who had qualified for every meeting of Home Life's honor group, Qualified Field Underwriters, since its inception.

The third day's session opened with the introduction of the new "prestige builder" mailing program by Henry Farber, director of sales promotion, and William B. Wallace, director of sales research and development. John F. Walsh, vice-president in charge of the western sales division, presided.

Panel On Net Costs

There followed a panel on net costs led by Mr. Worthington, who said: "It is the company's fundamental and unalterable policy that lower net costs are not to be achieved at the expense of the ultimate best interest of the policy-owners."

Panelists were J. Finlay Allen, executive vice-president, Theodore A. Stemmermann, vice-president and actuary; Owen C. Lincoln, vice-president, Robert B. Cunningham, 2nd vice-president-underwriting, and Benjamin E. Hermann, manager of agencies-administration. Each told how the operation he heads is contributing to the common goal of lowering net costs without impairing over-all soundness and standards of service.

The fourth day was devoted to a managers' session.

The centennial banquet at the Waldorf-Astoria, the founders' day celebration in City Hall Park across Broadway from the home office and the centennial history were reported in THE NATIONAL UNDERWRITER of May 7.

Mutual Benefit CLUs Elect

John H. Ames of the Youngman agency in New York was elected president of Mutual Benefit Life's CLU association at its annual meeting in Bal Harbour, Fla.

Regional vice-presidents elected were Frank Ridge, Washington, D. C., northeastern region; Ervin J. Lewallen, Miami, southern region; Donald W. Warner, Toledo, central region, and Bruce Bogue, Los Angeles, western region.

Mildred F. Stone, staff assistant to Mutual Benefit's president, was re-elected secretary.

Peoples Life (D.C.) Cash Dividend

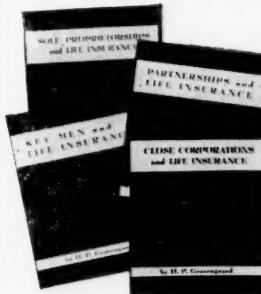
Peoples Life of Washington, D. C., has declared a quarterly dividend of 15 cents a share payable June 11 to stockholders of record May 27. Outstanding fractional scrip, resulting from a 5% stock dividend being prepared for distribution May 27, will not participate in the cash dividend, but full shares resulting from the stock melon will.



Herbert Adam

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Three Promotions At Officer Level Made By Penn Mutual Life

Herbert Adam, who for 20 years has been in charge of Penn Mutual Life's mortgage and real estate department, has been elected senior vice-president - administration. In other promotions, Floyd T. Starr, financial vice-president, assumes general supervision of the company's investment activities and Allen C. Thomas Jr., former 2nd vice-president becomes a vice-president and heads the mortgage and real estate department.

Mr. Adam, who joined Penn Mutual in 1914, was appointed an officer in 1930 when he was named associate counsel. He was elected a 2nd vice-president in 1941, a vice-president in 1949, and senior vice-president in 1957.

Editorial Comment

Taxing The Poor To Help The Well-Off

Judging from the number of bills proposing government health insurance for the aged coming from presidential hopefuls and congressmen seeking reelection, one gets the impression that a requisite to throwing the hat in the ring is throwing a Forand-type bill into the congressional hopper.

From the fervor that has been generated in the past few months over a subject that previously had received little attention, one also gets the impression that (a) living past age 65 is a geriatric phenomenon of only recent origin, or (b) the problem of medical expenses for older people never existed before, or (c) everybody after the 65th birthday suddenly becomes infirmed and indigent.

The fact is the problem does exist for many older people and has existed for a lot longer than Rep. Forand, Senators Kennedy, Humphrey, and MacNamara and Secretary Flemming have been in Washington. However, there are now elements of our society who suddenly feel compelled to bring this to the public's attention. They want action, maybe not today, but sometime before Nov. 8, for sure. The urgency of their appeals smacks of the pitchman's familiar approach: "Get it now! This is your last chance!"

Apparently ignored is the fact that there are some people, 65 or thereabouts, who, despite being retired and having given up their primary source of income, don't feel that they are old. Some of them don't even consider themselves indigent. So if there are 16 million people over 65, it doesn't necessarily follow that there are 16 million really old people, nor impoverished ones at that.

Recognizing the problem, one wonders if those facing it, along with the rest of the nation, will be best served by precipitate legislation wrought in the catch-as-catch-can of an election campaign. Wouldn't it be better for legislators to (1) attack the immediate problem—that of helping the older people who really need it, and (2) deliberate a little bit to gather information indicating just who needs help and what the best approach will be?

A third consideration might also be raised: Is social security a sensible vehicle for the program?

Statistics compiled by such agencies as Health Insurance Assn. indicate that there are between four and five million senior citizens who experience genuine hardship in paying medical expenses. This is considerably fewer than the number that advocates of the Forand and MacNamara omnibus legislation would provide for. Many of these are in their late, late years and are infirm or senile. They may become the reluctant burdens of their relatives, or lacking them, may be relegated to mental institutions when they don't belong there. Naturally, few congressmen are interested in this group alone, because it doesn't constitute much of a voting bloc.

A sounder approach to helping these people might be nursing home care. As a possibility, the Hill-Burton law, the subsidy under which states obtain federal aid for hospitals, could be expanded.

There seems to be much wisdom in the suggestion of Rep. Harrison of Virginia to defer action until January. At that time, committees now studying the problem in the individual states will be able to present a clearer picture at the White House Conference for the Aging. By then the evidence will be in, the election will be past and Congress and the administration should be able to give dispassionate and informed study to a problem now being treated with all the grace and restraint of a Ben Hur spectacle.

The soundness of incorporating health insurance into social security is questionable, at best. That so-called floor of protection of 1937 has become an elevator. And it isn't even paying its own way. Last year receipts fell about \$2 billion short of what was distributed in benefits. If history is a reliable predictor, one can expect further increases in the social security tax—during election years only, of course—and a wider gap between the intake and outgo. Should there be added the extra burden of health in-

surance excises?

It would truly be a bizarre situation to have the government tax people under 65, many of whom are financially hard-pressed, to pay for medical expenses of all the aged, many of whom do not need it. This incongruity is noted by Edward H. O'Connor, who as managing director of Insurance Economics Society has traveled and spoken extensively in opposition to Forand-type legislation. As Mr. O'Connor sees it, ". . . the amount which can be allocated to each will be small indeed. On the one hand, we will have the ridiculous situation of the government taxing the poor to make medical payments to those able and willing to care for themselves. On the other hand, the truly helpless can receive only a pittance."

—R.G.E.

Deaths

EDWIN H. CHAPPELL SR., 54, 18 years manager at Jacksonville, Fla., for Acacia Mutual Life, died at Daytona Beach.

LOUIS E. CASTER, 63, president of Commerce of Chicago and president Illinois Hospital Service (Rockford, Ill., Blue Cross-Blue Shield), died of a heart attack. He also headed various radio, television and bakery interests nationwide.



Louis Caster

DR. CHARLES L. MATTES, chairman and medical director of Reliable Life of Webster Groves, Mo., responded to his condition. He was a co-founder of the company in 1912, following his graduation from St. Louis University medical school. He was also president of Capital Town Mutual Ins. Co. of Webster, Mo.

WILLIAM A. REICHE, 55, secretary of West Coast Life, died of a coronary occlusion after being stricken at work. He entered the business in 1928 with California-Western States Life. In 1944, he joined West Coast Life, becoming controller in 1947. He was promoted to secretary in 1955.

B. W. KENNEDY, 60, assistant secretary and claims supervisor of North Carolina Life, died at Durham after illness following a heart attack.

Personals

Mrs. Marian A. Huddleston, administrative assistant of Pacific National Life, has been elected president of Business & Professional Women's Club of Salt Lake City.

Milford A. Vieser, executive vice-president and a director of Mutual Benefit Life, has been elected a director of Firemen's of Newark of the America Fore Loyalty group of fire and casualty companies.

O. E. Stieringer, purchasing agent of the National Underwriter Co., has been honored for his monograph on the organization and functions of a publisher's purchasing office. Mr. Stieringer was presented with the first award of the Cincinnati Assn. of Purchasing Agents. The study was a contribution to a purchasing seminar at the University of Cincinnati.

George Aitken, vice-president and comptroller of Great-West Life, has been awarded the medal of honorary counsellor, the highest honor of Canadian Red Cross Society in recognition of his service to the society and International Red Cross. He is immediate past president of Canadian Red Cross and finance commission chairman of International League of Red Cross Societies.

Set Agency Supervisors Outing

Life Agency Supervisors Club of Chicago is holding its annual golf outing at St. Andrews Country Club, near St. Charles, June 23. Gerald Driscoll, Mutual Life of New York, is chairman.

By H. W. Cornelius of Bacon, Whipple & Cromie, 135 S. La Salle St., Chicago, May 17, 1951

Stocks

	Bid	Asked	Want	Benef.
Aetna Life	75 1/2	76	Citing the	
Beneficial Standard	14 1/2	15	that last year	
Business Men's Assurance	42 1/2	45	billions were	
Cal-Western States	54 1/2	58	21 people didn't	
Commonwealth Life	19 1/2	20	one quarter	
Connecticut General	31 1/2	32	of the	
Continental Assurance	14 1/2	15	don't	
Franklin Life	76 3/4	78	what the people	
Great Southern Life	67	70	Mr. Baskin	
Gulf Life	18 1/4	19	observations	
Jefferson Standard	41	42	interviewed	
Liberty National Life	53 1/4	55	pending	
Life & Casualty	16 1/4	18	the hope that	
Life of Virginia	51	52	the	
Lincoln National Life	21 1/2	22	of the widest	
National L. & A.	10 1/2	10	situation, we	
North American, Ill.	12 1/2	12	further study	
Nw. National Life	101	102		
Ohio State Life	47 1/2	50		
Old Line Life	60 1/2	60		
Old Republic Life	18	19		
Republic National Life	33 3/4	34		
Southland Life	87	88		
Southwestern Life	51 1/2	52		
Travelers	75 1/2	76		
United, Ill.	44 1/2	45		
U. S. Life	38 1/2	39		
Washington National	49 1/2	50		
Wisconsin National Life	35	36		

Melvyn Huber, Ralph Szabo Will Address N.Y.C. CLUs

Melvyn J. Huber, supervisor of the Solomon Huber agency of Mutual Benefit Life, and Ralph Szabo, a leading producer of the agency, will be the speakers at a meeting of the New York City CLU chapter at Mutual of New York's club rooms, May 25. Mr. Huber will discuss sections 302 and 318 of the New York insurance code as they affect life agents. Mr. Szabo's subject will be client building.

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GREENSPAN ELECTED

Chicago A&H Assn.
Gets Word To Push
Disability IncomeL SR., 54, F
sonville, Fl
died at D

Disability income coverage is the only type of insurance which is sold without the help of outside influences; therefore, if it is to be sold, it must be done entirely through the agents' efforts, Oakley Baskin, president of International Assn. of A&H Underwriters, told Chicago A&H Assn. at the May meeting. The luncheon was the annual meeting, and Stanley Greenspun, Massachusetts Casualty, was elected president to succeed Daniel X. Marlowe, Provident, L&A. Mr. Baskin noted that all other types of insurance often enjoyed sales assistance from interests outside the business. Motorists, for example, are motivated to buy automobile liability coverage by state compulsory and financial responsibility laws. The armed forces encourage GIs to buy NSLI. Founder of the doctors, desirous of assuring payment for their services, advocate A&S. Even university mutual fund sellers with their "buy-president-and-invest-the-difference" shibboleth, give life insurance a backhand boost.

55, secretary
aware of Need

With film slides, he reported a survey which showed that 27% of those interviewed did not think disability income coverage was important or hadn't given it much thought. Often a person, convinced that he must load up on A&S, is unaware of the need to insure his income. This, Mr. Baskin said, is unfortunate, because the loss of income from accidents last year was four times greater than medical expenses.

It is the agent's job to sell the need first, and then the benefits, he declared. The prospect must be made to see just what he will relinquish in everyday living when he loses his income.

Whipple & Co.
May 17, 1960
Bid Asked Want Benefits, Not Policies

Citing the rather obscure statistic that last year one million quarter-inch drills were sold, he commented that 21 people didn't want quarter-inch drills but quarter-inch holes. Likewise, people don't want policies—they want what the policies will do for them. Mr. Baskin prefaced his talk with observations on old age health legislation pending in Congress. He expressed the hope that congressmen, cognizant of the widespread implications of the situation, would withhold action until further study can be made. He asked

his listeners to write the two congressional leaders, Sen. Lyndon Johnson and Speaker of the House Sam Rayburn, urging them to (1) defer action until all the evidence is in, and (2) to reject any measure attached to social security.

Other officers who were elected at the meeting were Martin R. Haueisen, Washington National; Vernon Gerhardt, Modern L&A.; and Charles K. Coleman, Combined, vice-presidents, and Norman K. DeYoung of DeYoung & Associates, secretary-treasurer.

Outgoing President Marlowe presented distinguished service awards. Recipients were Harold F. Fendius, Washington National; Miss Evelyn Beck, Youngberg-Carlson; James P. Lockerbie, Hartford Accident; Edward H. O'Connor, Insurance Economics Society; Richard G. Ebel, THE NATIONAL UNDERWRITER; Reps. Paul D. Simon, Anthony Scariano, Abner J. Mikva, Marion E. Burks, and Harold A. Hoover of the Illinois legislature; and Messrs. Gerhardt, DeYoung, Haueisen, Coleman and Greenspun.

Elliott President
Of Pa. Federation

Insurance Federation of Pennsylvania has elected as president William Elliott, chairman of Philadelphia Life. William MacLean, president of National Union, was named first vice-president.

Other vice-presidents are William B. Corey, Provident Indemnity Life; Stanley Cowman, Mather & Co.; Theodore A. Engstrom, Aetna Life; H. H. Gilkyson, Chester County Mutual; William M. Guthrie, Pennsylvania State Council of General Contractors; Edward A. Logue, retired Pittsburgh manager of American Home; J. Maxwell Smith, Keystone, and Clyde F. Wilmet, United American Mechanics.

John H. Hoffman, America First Loyalty, was elected treasurer. John A. Diemand, North America, was named chairman of the executive committee, and Thomas A. Bradshaw, Provident Mutual Life, vice-chairman.

Barton Named President By
New York City Supervisors

William H. Barton, brokerage manager of the Carr agency of Continental Assurance, has been elected president of New York City Life Supervisors Assn., to succeed James P. Carr, Mutual Benefit Life.

Also elected were Paul Goodman, Union Central Life, 1st vice-president; Harold Baillie, Northeastern Life, 2nd vice-president, and Herb Righthand, Connecticut Mutual Life, secretary-treasurer.



New officers of Chicago A&H Assn. elected at May meeting are, from left: Charles K. Coleman, Combined, vice-president; Norman K. DeYoung, DeYoung & Associates, secretary-treasurer; Stanley Greenspun, Massachusetts Casualty, president; Daniel X. Marlowe, Provident L&A., outgoing president; and Vernon Gerhardt, Modern L&A., vice-president. Not pictured is Martin R. Haueisen, Washington National, vice-president.

Comments On The Insurance Field
From The Investment Dealer's Chair

By LEVERING CARTWRIGHT
Cartwright, Valleau & Co., Board of Trade Building, Chicago.

The offer by Shepard Broad to buy 21,000 shares of Universal Ins. Co. at \$50 per share again stirs interest in the so-called discount situation in the insurance field, just as the Mass. Bonding offer did recently. Universal has long traded at a radical discount from capital value and net worth, at less than 50% of capital surplus alone. These discount stocks tend to sell on such a basis year after year until and unless they excite a bid that is exhilarating in relation to market but still would give the buyer a good edge.

There is frequent speculation on the possibility of capturing one of these companies and actually putting it to rest, complete liquidation or turning it exclusively into an investment company. This is fantasy. Norton Simon tried it with Security Ins. Co. of New Haven and only succeeded in shaking it into the hands of a first rate operating executive in the person of Clayton Gengras. There may be a rare, uncomplicated company that could reinsure its liabilities and otherwise disengage itself from the insurance struggle, but it would be very exceptional.

This underlines the virtue of management minding stockholder relations. Those companies whose stocks fare best and which offer no cushion of liquidity for organized bargain hunting are those in which the prestige of the stock is valued and cultivated. Usually, too, there is *esprit de corps* in such a company and agent and employee relations are tops, too.

Last week before the general market showed new vitality fire-casualty insurance stocks remained firm, some tried to creep higher and Continental Casualty continued to be in exceptionally strong demand and closed within an eyelash of its all-time high. The life stocks remained tired and reactionary. This in the face of strong life insurance sales, with many companies enjoying record production and excellent earnings prospects. Paradoxically, the very thing—high interest—that so accents life insurance profits today has caused investors during the four months of the ragged general market to seek securities with immediate income to the neglect of life insurance shares with their plowback. This is one of the reasons why life insurance shares have gone out of style momentarily. The growth label is not, in the view of the financial community, so surely attached to the life stocks as it was, due mainly to the puzzles of the new federal income tax. It may take the evidence of 1960 annual statements to re-establish their claim to that label. So, lacking yield and with skepticism being voiced as to the growth pattern, life shares have been shaken down to the point that they are selling more on a parity with blank stocks so far as price-earnings ratios are concerned. They still comprise magnificent compound interest machinery and the intrinsic values today are more inviting than they have been for years.

Insurance shares were firm as the new week opened. United Ins. Co. was a feature on the upside on reports of another stock dividend around the corner.

The Commercial & Financial Chronicle of May 12 had three articles bearing on insurance. A. Wilfred May in his "Observations" column, suggests that the life companies may become much heavier investors in equities. There has already been some increase in "the leaning toward the common stock" and "further potential is enormous." He mentions Penn Mutual, Lincoln National, John Hancock, Mutual of N. Y., Mass. Mutual, State Mutual, National Life & Accident, Occidental Life and Equitable Society as equity leaners. He explains how dividends give the life companies better take home pay than do fully taxable bond income. The common stock has gained "respectability" in the variable annuity idea. "Whatever the exact source of the fillip to the life companies' swing into common stocks, there is plenty of room for further additions below the legal limitation. And, incidentally, there is plenty of leeway behind the British, whose life company portfolios are way ahead of us in the inclusion of equities."

Another article "Terminological Appraisal of Life Insurance Stocks" is by Hugh M. Ettinger of Merrill, Lynch, Pierce, Fenner & Smith. He gives a thoughtful and comprehensive view of the nature of life insurance earnings and concludes with the cautionary note that any "rule of thumb in valuing life insurance will be only an approximation. The actual valuation will vary from company to company, depending on the type and quality of business written."

The third article is an enthusiastic appraisal of American Heritage Life of Jacksonville by Dr. Ira U. Cobleigh. He thinks they have a good thing in what he calls the "exposure" method of selling. This seems to be the familiar payroll deduction plan with fresh bounce. He refers to the insurance desk activity in supermarkets. However I think the way has yet to be found to convert shoppers into life insurance policyholders on any kind of a scale. Sears, Roebuck gave it up on its first attempt back in the 30s with Hercules Life. Where fire and auto insurance are offered in the stores, mortgage redemption insurance can be presented in a natural way when filling out the application for property coverage. But basic life insurance selling seems to call for traditional methods. This is not to say of course that ways can't be found to take advantage of the accessibility of the shopper to try to arrange interviews. Dr. Cobleigh also said American Heritage is tapping the resources of its 17,000 stockholders to boost sales. American Heritage, he said, has an impressive board of directors, and the operating management, merchandising skill, zeal and energy conducive to corporate greatness."

A. M. Kidder & Co., New York, has released studies of Springfield-Monarch and of Mass. Protective. Estimating 1960 net earnings at \$3 and an eventual increase in the dividend rate, Kidder recommends Springfield. As to M. P. A. the view is that the current price "fails to reflect adequately the company's favorable record and the value of its interest in the life insurance business."

Blair & Co., New York, in a new study by George Geyer, highly recommends

Western Casualty & Surety and in the same breath speaks favorably of the fire-casualty list as a whole, saying they represent one of the few businesses which actually benefits from stable or lower prices which reduce the cost of settling claims."

Incorporated Investors of Boston has commenced to tread in British insurance stock waters. During the quarter ended March 31, there was acquired 3,200 shares of Legal & General Assurance, with a market value of \$164,565 and 7,000 shares of Prudential Assurance at \$338,456. During the same period there were sold 5,800 shares of National Life & Accident, reducing the holdings to 44,200, and Travelers shares were reduced by 3,300 to a total of 26,600.

E. F. Hutton & Co., devotes its Market & Business Survey for May to "A Comparative Evaluation of Fire-Casualty Stock Companies," an eight page study, concluding that the market for shares of industry leaders "can be expected to perform relatively as well and very likely better than the shares representing many of the blue chip industrial organizations, where earning power now may be subject to wider cyclical deviations than in recent years."

The One William Street Fund in its report as of March 31 notes the sale of 40,000 shares of Continental Ins. Co., reducing its holdings to 15,000 shares.

Actuaries Spring Rally Covers Many Subjects

(CONTINUED FROM PAGE 14)

tail by area as an aid to benefit planning for its clients. It was generally observed by Mr. Bassett, D. W. Pettengill, Mr. Thomas and I. R. Taylor, London Life, that the wide variations in charges and utilization rates for

both room and board and services make area rate variations essential.

Mr. Taylor and Mr. Sherritt, gave reasons why area differences arise and suggested more attention should be given to this subject. Mr. Moran reported significant differences in small group claims experience by area. Mr. Pettengill commented that available statistics by area are so undependable that great difficulty is encountered in deriving consistent classifications for even the largest cities.

In the discussion on pension and retirement plans, H. H. Hennington, Equitable Society, emphasized that the benefits of the new federal income tax law materially helped to equalize the competitive position of insured versus trustee pension plans. He pointed out some areas where further correction of discrimination is needed.

The session on ordinary insurance was conducted by W. Clarke, Gulf Life. A discussion on agency problems was opened by J. C. Noback, Northwestern Mutual, who reported that the earnings for full time agents in his company had kept pace with the cost of living even though premium rates have dropped and term sales have increased. J. M. Miller, New York Life, pointed out the difficulty of comparing agents earnings with others in selling careers due to the absence of reliable data on the earned income agents may derive from all sources. R. M. Fridley, Pan-American Life, concluded from his company's studies that although there has been a significant shift in life insurance plans, this change had been accompanied by an increase in average policy size.

Speaking on underwriting problems, H. G. Paff, Prudential, indicated that while it is desirable to keep medical examinations to a minimum in the underwriting of industrial, it is probably not practical to eliminate them entirely. W. R. Christmas, Gulf Life, agreed that it is not practical to confine underwriting of industrial life with its present limits and policy provisions exclusively to a non-medical basis. He noted that a medical examination for a portion of the business serves to act as a policing measure and to assist in the underwriting of those risks with known impairments.

T. H. Pate, Independent Life of Florida, in discussing the future of industrial insurance, noted that companies operating only in the southern states are just beginning to experience the decrease in demand for weekly premium insurance. J. M. Bragg, Life of Georgia, predicted that monthly premium business and other ordinary business will more than compensate for the gradual loss of weekly premium business.

So. Round Table Told Of PR Man's Place

(CONTINUED FROM PAGE 2)

Volunteer State Life, the host companies, gave a reception the evening prior to the opening session.

Comparing the public relations department of a life company with the function of the Department of State in the government, Mr. Trentman pointed out that both must work with all other departments, have an understanding of what is being done and pass on this information and interpret it in an understandable way to many people.

Top management seeks and wants ideas from the public relations man. Criticism, when such is made, is that the public relations man lacks imagination or is hesitant about making suggestions when he should be aggressive. Management should not be forced to beg for ideas; they should be made freely and often, he said.

PR Men Advised

If the public relations man will do four things, based upon the heritage of the past, he will be invaluable: Get the facts as to where the company is in all phases of operations, set the goals both long and short range where it wants to go, determine the steps to be taken and set the time, and prepare the work schedule which shows when and whom in the company does each part.

Life insurance is not designed to make money for the people who buy it, but is intended for their loved ones and their businesses, Hal Nutt, director of the Purdue institute, asserted. All the nonsense about life insurance and inflation has done incalculable damage. It is damnation by association, he said. An impression is being created that life insurance dollars are idle dollars and are no good. Life insurance has nothing to do with inflation.

Life insurance selling is a tough job. It is a mistake to have agents believe that when they become professionals, people will come to them to buy.

Must Overcome Prejudice

We are looking for ideas as to how to sell life insurance and how to sell it better. Prejudice must be overcome in persuading the public to believe in life insurance as it actually is.

Mr. Nutt said the time is coming when there will be less individual company advertising and more institutional advertising.

The saying that we can't have too much money is another way of saying we can't have too much life insurance. We buy life insurance to die with it. Ordinary life insurance is the best buy, other than term, because it is in force when we die. Not enough people die in five or 10 years to collect on term. Most people live a long time and need life insurance when they die.

A doctor friend bragged about owning \$50,000 life insurance when he was making \$50,000 a year. We've got to let the man know that he can't have too much. He is going to be dead a lot longer than he is going to be alive. We are talking too much about the liquidation of life insurance rather than the conservation of it, he stated. Life insurance has both an investment part and a protection part.

While there is \$550 billion insurance in force, we are worshippers at the shrine of volume and too many both in the field and home office believe the tremendous gains of the past few years are due to their own effectiveness, Powell Stamper, assistant vice-president National L&A., stated. The fact is that most people are not proper-

ly nor adequately insured. The problem is, how can we serve these people better and do a little something for our own families in the process?

Life insurance is a simple business but we seem to complicate the devil out of it. We live too long or die too soon, but the modern rate book filled with dozens of policies and hundreds of riders, all for selling for need.

The beneficiary asks only, "Is the policy in force? How much do I get?"

Mr. Stamper pointed out the great detail to which other businesses go in researching merchandising methods.

Must Maintain Competition

Competition has got to be maintained, Mr. Stamper said in stating that he did not agree with Mr. Nutt's statement that there would be more institutional and less individual company advertising in the future. In the top 100 advertisers last year, there were only two life companies. He discussed his company's research in making its trade mark better known and endeavors to make the company entity a living thing in the cities in which it operates. We've got to deliver the kind of company the agent was led to believe it was when he was under contract. "So long as an agent fails, or any person remains underured, we've failed in our job," he said.

Training is sales promotion to motivate the agent, Jay C. Leavell, vice-president, Guaranty Savings Life, stated in discussing how the zeal to sell can be created in the agent. Basically, the sales promotion man is a "idea man" whose job basically is to stimulate enthusiasm. Rapport with the agent must be created. The objective is to try to build a feeling with the agent of belonging and get him sell over his head.

John L. Briggs, vice-president and director of public relations, Southland Life and vice-president of Life Insurance Advertisers Assn., gave the report on LAA activities which was prepared by President Robert S. Kieff, assistant vice-president of Metropolitan, who could not be present. The association has over 500 members in 240 companies.

'Hot Ideas' Session

The "hot ideas" session, a traditional part of the program, brought forth some interesting and unusual ideas which have been field tested in the public relations, sales promotion and advertising activities of the participants in each of the four panels. Dodge Geoghegan, Occidental Life of North Carolina presided.

C. R. Andrews, Pilot Life, moderated the public relations panel. Members were Al B. Richardson, Life of Georgia; R. L. Hindermann, Pan-American and J. L. Briggs, Southland Life. J. P. Nesbit, Atlantic Life, led the discussion on advertising, assisted by J. V. Blalock, Liberty Life; J. M. Locke, Gulf Life; M. L. Davis, Provident L&A., and T. L. Maness, Durham Life.

Service Guide

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whose comments were read by Mr. Nesbit.

Sales promotion ideas were covered by a panel consisting of C. C. Camp, Gulf Life, moderator; T. O. Morris Jr., Prudential southeastern home office; J. V. Blalock, Liberty Life; W. E. Cunningham Jr., Southland Life, and J. P. Nesbit, Atlantic Life. Handling editorial ideas were Gerry Covington, Great Southern Life, moderator; Ivan Marshall, Volunteer State; C. C. Camp, Gulf Life, and C. E. Bishop Jr., Protective Life.

Attendance Perfect In 15 Years

H. R. Marsh, Jefferson Standard, received an attendance prize for his record of not missing a meeting in 15 years. C. E. Bishop Jr., Protective Life, a past chairman, gave the nominating report. The committee chairmen largely responsible for the success of the meeting were C. W. Reep, Inter-

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state L&A., arrangements; H. K. Rickenbacker Jr., Life of Georgia, attendance and promotions; C. R. Alexander, Lamar Life, program; W. L. Page, Great American Reserve, press; J. M. Locke, Gulf Life, resolutions.

Carrying out the medieval castle-knight meeting theme, members of the arrangements committee representing the three local companies were attired at the opening session in costumes appropriate for the period. Mr. Reep introduced his president, H. C. E. Johnson, who gave the welcoming address, and was greeted by a flourish of trumpets in the hands of M. L. Davis, Provident L&A., and Ivan Marshall, Volunteer State, both attired in armor.

Mr. Alexander, the new chairman, has headed the advertising department of Lamar Life since it was created in 1951 and is now public relations director. He worked on a Pascagoula, Miss., newspaper after service in the air force in World War II, subsequently joining an advertising agency at Jackson, Miss. He was a flight instructor in the Korean war. Mr. Alexander attended Southwestern College and Millsaps College, graduating from the latter.

Shearen Elebash, Alabama state director for Lamar Life, delighted the delegates at the banquet with his impersonations.

Neb. Agents Annual Draws Record Crowd

HASTINGS—Nebraska State Assn. of Life Underwriters annual meeting here drew the largest crowd the association has ever had. Over 700 members attended despite bad weather which prevailed throughout most of the week.

Commissioner Grubbs addressed the luncheon gathering, and outgoing President Lloyd H. Perry, New England Life, Hastings, was awarded a plaque for his work during the year.

Talks were given by George G. Joseph, director of agencies New England Life, Waukesha, Wis.; Walter F. Schmitz, assistant vice-president of A&S sales Occidental Life of California, and Frank Bettger, well-known salesman.

Metropolitan Of Chicago Loses Appeal On Name

CHICAGO—The U. S. court of appeals, seventh circuit, this week upheld an injunction which enjoins Metropolitan of Chicago, a casualty company, from using the name "Metropolitan Insurance Co." or any name "deceptively similar" to that of Metropolitan Life.

The injunction was granted Nov. 30, 1959 by Judge Julius H. Miner of federal district court, and the Illinois company had appealed to have the injunction voided. This week's decision, handed down by Chief Judge John S. Hastings and Circuit Judges Elmer J. Schnackenberg and Win G. Knoch, held that the injunction was properly issued.

The Illinois company formerly operated under the names Highway Casualty and Highway Ins. Co. In October 1958 the company changed its name to Metropolitan Ins. Co. and declined to discontinue use of the name on the request of Metropolitan Life.

Portland (Ore.) Assn. of Life Underwriters on May 20 had Phillip J. Pearson as guest speaker. An agent at Vancouver, B. C., for Canada Life, he has been one of the company's sales leaders for several years.

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